



Growth vs. Quality Investing with Pieter Slegers and Kris Heyndriks

Alright folks, welcome to Investing for Beginners podcast. Today we're gonna have a lot of fun. Today we got a very special show. We have my friends Pieter and Kris joining us. Kris from Multibagger Nuggets and Pieter from Compounding Quality. We were lucky enough to have the both of them on the show a little while ago and we're having them back today. So we're gonna have a little bit of a grudge match.

00:00:53 Dave

Maybe not, but we're gonna have some fun today, so we're gonna talk about stocks and other things. So I thought for the first question, I thought we would talk a little bit about macro and maybe how you guys think about that. And this is in lieu of tomorrow in the United States will be presidential elections.

00:01:10 Dave

Well, tomorrow. That starts the fun of the presidential elections. The winner will probably may this will be out in some time in November. Hopefully by then we'll know who the president is. But I I make no guarantees. So how do you guys think about macro and some of these bigger political issues? Do they affect how you guys invest at all?

00:01:32 Pieter

Do you want to go, Kris?

00:01:33

No.

00:01:34 Kris

Wow. No, they they don't affect how I invest at all. I think it.

00:01:38 Kris

It was Warren Buffett who said that.

00:01:41 Kris

I think it was still Alan Greenspan, who was the fact chair, he said. If if Greenspan would whisper in my ear what the fats policy would be for the next two years, I would still.

00:01:53 Kris

Changed nothing about my investing.

00:01:55 Kris

I think that's that's how you should think. I think macro is noise and noise to me always means the short term and that can be because most mostly when I say this, people think that short term is like a day or two days but short term for me is a few years.

00:02:15 Kris

So if the macro is going wrong, that can last a few years like like we saw in 2008, 2009.

00:02:24 Kris

That was a.

00:02:25 Kris

Severe one, but usually if you look at the stock market, the average bear market only lasts nine months.

00:02:33 Kris

So is that what you should base? You know you're investing on? I don't think so. I think it's, you know, if you're a trader, macro is probably extremely important.

00:02:44 Kris

And many people are, you know, led to believe that macro is super important for investing. But I think as long as you're investing in great businesses, you will do fine. And the problem is more that people will, you know, use macro data to rationalize their emotional decisions. Because if the stock.

00:03:06 Kris

Price goes down. People are affected by it emotionally. When it goes up a lot as well. By the way, in a short time.

00:03:15 Kris

And then you know when when the stock crashes, just look at how the business is doing and don't you know.

00:03:23 Kris

I always call that the Wall Street shuffle and what I mean is that the, you know, the the earnings beats and misses, etcetera, you know, just look at how the business is performing and you know the the earnings miss can be analysts who don't do their job very well and not the company so.

00:03:43 Kris

I'll leave it there so Pieter can also say something.

00:03:46 Pieter

Perfect. First thing I would like to highlight if is what I think, yeah, Kris and I are great friends and I think it's beautiful and you don't see that often in the investment field is that we have different approaches. So. So Kris is more multi back.

00:04:01 Pieter

There's I. I hope you don't mind, but I'll call it growth investing at this point in time and I'm more in quote UN quote quality investing. So more the the boring businesses probably lower growth but a bit more mature. But I think it's beautiful that you can discuss ideas, investment ideas in a very respectful way and having a completely different.

00:04:22 Pieter

That she and doing something like that, I think that's something that you don't see often in the market and something we should appreciate and everyone should do that. So be down to Earth, listen to someone who has an opposing view and we can all learn a lot from that. By the way. The same is when investment cases, I think the most.

00:04:42 Pieter

Interesting experience is to listen to someone when you are long on a company to a short read. A short report, for example, or someone who really doesn't believe in the company. You learn a lot from that. Now to answer the question macro, well, I think we are both in the same field. There. We have the same opinion.

00:05:02 Pieter

What's Pieter lynch? We said, well, if you spend 30 minutes a year on macroeconomics, well, you've wasted 10. So I'm exactly in the same camp there, so.

00:05:11 Pieter

Move in the US elections. Well, to be blunt, I don't know and I don't care. The only thing I care about is trying to find great companies, find beautiful companies and buy them at a wonderful.

00:05:23 Pieter

Price.

00:05:24 Pieter

And what I also know is that in the long term, well, the stocks will always follow the evolution of the intrinsic value.

00:05:32 Pieter

And it was also JP Morgan we won for that from three.

00:05:35 Pieter

Well, Mr. Morgan, do you know what the stock price will do tomorrow or stock market will do tomorrow? Well, yes, it will fluctuate. So that's exactly the case with the US elections as well. That's exactly the case. What happens every single day on the market and it isn't important what the stock market will do tomorrow, what the stock market.

00:05:55 Pieter

To do this month or even this year, but just when you, the companies you own well when they keep growing their intrinsic value, when they keep growing their free cash flow per share.

00:06:05 Pieter

Well, that's the only thing that matters to me. And by yeah, focusing on the long term, trying to remove all the first, all the all the noise. I think that's something very important in the investment field.

00:06:18 Kris

Actually, I thought about uh, when I uh, I was reading about Charlie Munger's 25.

00:06:26 Kris

Human biases.

00:06:27 Kris

And and I thought, well actually nowadays you should probably add another one political biases, because both sides say that the other side is awful for the stock market. And will, you know, ruin the country and whatever, if you look historically, whether it was a Republican or a Democrat president.

00:06:47 Kris

You know the stock market went up in general, so people dig in to their own opinions and, you know, don't see the full context anymore. I think as an investor you should stay out of political biases.

00:07:03 Dave

I 100% agree and I appreciate you guys weighing in on that. This is, it's obviously very tense here, maybe not.

00:07:12 Dave

Today, but tomorrow will be a very tense day and I'm sure the markets will react probably poorly to Kris's point, the all the numbers that I've seen indicate that, you know, I think the Republicans returns are 10.8% and the Democrats returns while they're in power is 11.2 so.

00:07:32 Dave

You know, it's it's a lot of noise, so.

00:07:34 Dave

I it's just interesting.

00:07:36 Dave

Hear Outsiders points of views because here in the United States it's, you know, of course everything. That's all anybody focuses on and I've gotten so many questions on Twitter about what are you gonna do about the?

00:07:47 Dave

The election and nothing. Nothing.

00:07:50 Pieter

I'd like to go.

00:07:50 Pieter

To add a quote from Bucketeer as well. Well, the only rule of stock Market 4 processors is to make fortune tellers look good and one for making a forecast.

00:08:01 Speaker 6

Yeah.

00:08:04 Dave

Yeah. Yeah, that's that's.

00:08:06 Dave

Like all right, so maybe let's let's switch gears here a little bit. So Pieter, you mentioned that you guys have slightly different kind of investing styles. What inspired you guys to kind of go down the path that you each are?

00:08:19 Dave

Going down.

00:08:20 Speaker 7

Do you have a long term mindset searching for safe compounders? So am I and I'm investing my entire life savings with the picks from valuespotlight.com.

00:08:33 Pieter

Well, I can go 4th if you if you don't mind. Well, first important thing. I think there are multiple roads that lead to Rome. So growth investing can work. Value investing can work. Quality investing can work. And the most important thing probably is that you choose a strategy that that fits your personality. Why? Well, you can borrow someone's conviction.

00:08:54 Pieter

Oh, sorry. You can borrow someone's ID, but you can never borrow their conviction. So if I, for example, tell you and by the way, small disclaimer, nothing is investment advice here. But if I would tell you, well, you should buy, let's say, Apple and you buy Apple tomorrow.

00:09:10 Pieter

If you I think that's unimaginable. But let's suppose you don't know what Apple does with managing the company and so on. And then the company goes down 20% on that case, you will have a very hard time to to keep pursuing this strategy. So for me it's quality investing. So that strategy that actually really clicked with me.

00:09:31 Pieter

When I heard about it, when I start reading books like quality investing from Robert Stringham, only the best will do well together with Luke Cruise. I also worked on they are of quality investing right now. So for me it makes a lot of sense to try to.

00:09:47 Pieter

Buy the most wonderful companies at the fair price. Why? That's a different strategy compared to, for example, value investing because it's a value investor while you try to buy a cheap stock and.

00:09:57 Pieter

Then the valued.

00:09:58 Pieter

One once you have the value and the valuation disappears, so your investment is correct. Well, in that case the evaluation is gone. I need to sell the stock.

00:10:08 Pieter

Find the new undervalued one while on the other hand with quality investing. If your thesis is correct, well, the intrinsic value per share keeps growing and you can just.

00:10:18 Pieter

Create some kind of buy and hold approach unless the only reason to sell basically is when your homework wasn't correct. When the more it wasn't there what it thought it was and so on. So for me that was really something that clicked with me and like I mentioned that I want to highlight that once more.

00:10:38 Pieter

I don't want to say quality investing is the way to go. I also don't think Kris will say that that multi bagger or growth investing is the way to go. The most important is the the most important thing is to stick to a strategy that's that suits you as an investor and suits your personality.

00:10:53 Kris

Yeah, I couldn't agree more. And I always say to my subscribers, make your portfolio reflect who you are, your personality, and that can mean you know several strategies, because usually media simplify things as if you're only one person, you know I have many subscribers who have.

00:11:14 Kris

Dividend growth, you know corner in their portfolio and quality corner in the portfolio and a multibagger corner in their portfolio because they all like those strategies. And again, yeah, I I heard in the podcast, Patrick.

00:11:29 Kris

Like the best I heard that they are, they have been identified 300 ways of getting alpha so doing better than the stock market. So you know they all work.

00:11:42 Kris

On the condition that you follow them right and that's where most most people failed. They started in one thing, then go to the next hot thing, etcetera. If you want to invest in in multiplayers. To me that's that's great because I'm a very calm person. But if you cannot stand.

00:11:59 Kris

5060% drawdown every now and then several times a year, you know, with different stocks. That's, you know, that's just something you have to be comfortable with. If you look at 100 bags, Kris May is fantastic book. So he he looked at 300 and 65100 baggers.

00:12:18 Kris

So on average, it took 26 years to become a 100 bagger and.

00:12:24 Kris

All 365, all of them.

00:12:29 Kris

Went down 50% at least once and a huge majority.

00:12:34 Kris

I think more than 90% several times, you know, even Berkshire Hathaway went down by more than 50% for three times. So, you know, that's just something if you want those multi barriers, you have to be able to deal with that and how how do you deal with that? That can have, you know that that can be your personality like I'm.

00:12:54 Kris

Very calm. I'm. I always put things in context. Naturally other for other people that can be, you know, it's just like 10% of My Portfolio and that can all. So I don't mind the volatility there because my other stocks are, you know not that.

00:13:10 Kris

So yeah, it's very important to find the way of investing that suits your personality the most. I'm very excited by new technology by thinking about what you know could happen to us in the future, what things could make our society better in the future, etc. So that.

00:13:29 Kris

Is, you know, that's the fertile ground to, you know, to grow multi baggers along, right?

00:13:35 Dave

Right, yeah.

00:13:37 Pieter

One thing I would like to add Dave here and it's a really interesting one quiz because you mentioned Patrick or Shark.

00:13:42 Pieter

See well his.

00:13:43 Pieter

Father Jim Oshaughnessy wrote an excellent book but works on Wall Street where he basically best back tested.

00:13:49 Pieter

A lot of strategies buying the cheap speed stocks, buying momentum stocks and so on, and at the end of the book it's set on the page book, something like that. He came to the conclusion that trending value performed the best. It's outperformed the market by a wide margin using combination of value.

00:14:09 Pieter

Momentum and a bit of quality basic.

00:14:11 Pieter

So what did Timoshenko see in this case? Do he created a font based on the trending value strategy and he he knew that it work work because he back tested it over the past 100 years over the past century. But then you can already guess what happened. Well, the next three years the, the the funds yeah, underperformed the market.

00:14:33 Pieter

And and who wrote the set on the page book about all potential investment strategies? All potential quant strategies. Basically, he couldn't take it anymore.

00:14:42 Pieter

He sold the the the funds. Obviously assets were pouring out and once again you can imagine what happened. Someone took it over, just kept using the strategy and the strategy kept doing really well and the the fun start to outperform and was Napoleon Hill was said, well, the man who can do the average while everyone around him is is losing his mind.

00:15:03 Pieter

Well, he is an excellent investor. That's how you need to be. And the same is on.

00:15:07 Pieter

The stock market, so you.

00:15:08 Pieter

To, you need to be able to stick to your strategy when things get really tough, and the only way you can do that is when you truly believe in strategy, when the strategy. Yeah, it's it's linked to your personality basically. So something.

00:15:22 Pieter

Very important for everyone.

00:15:24 Dave

Yeah, yeah, totally agree that it sounds to me like you both are saying that your stomach and your your psyche are just as important as what kinds of companies you choose.

00:15:38 Kris

No, much more, much more important, your mindset will determine the outcomes that you'll have. It's as simple as that. And you know, as Pieter says, that you know, if you believe in your strategy and you have the patience and you're, you know, you're a bit stuttered and you have the the resilience of.

00:15:58 Kris

You know, checking and it's both. You know your head and your gut because like in 2022, when many of my picks were down, like Shopify was down 80% from his.

00:16:12 Kris

But now it you know, I had it very early in, in 2017. So I was still up, but it was it was a 20 bagger at a certain moment and then it was like probably 5 or 6 bagger, that's a big difference. You know you have to know then what you have to do and that is stick to the strategy and buy more.

00:16:26

MHM.

00:16:33 Kris

Because right now it's cheap and it feels like burning money, almost like you know, because if every time you buy it goes down more and it goes down more and it goes down more. But that's what you know. Then in 2023, when the stock market recovered and 2024, of course that.

00:16:51 Kris

What really makes you outperform the money that you invested? You know, at that time, not the money that you invest the at the peak in 2020 and 2021, of course is is the money that you invest when the stock is down so much and that's something that people you know should really appreciate.

00:17:11 Kris

And and think about beforehand if this happens. This is my plan because when it happens, it's violent, and of course it's a kick in the gut and you really have to be prepared and prepare yourself mentally for when something happens and if.

00:17:29 Kris

It does even then you have to go against your emotions and just, you know, use your head to say, you know, this is what I said I would do. I will do it. I will invest more money, even if it feels so awful because it keeps going down.

00:17:46 Pieter

I can tell a a very funny story about this because we're talking about 2021-2022 1, so 1, and back then I still used to work in the industry, so work was working for about an asset manager.

00:18:00 Pieter

And basically as the saying goes about Wall Street, well, everyone is thinking on the short.

00:18:06 Pieter

Term right there.

00:18:07 Pieter

And when there's switch from value to growth and and or growth to value the other way around, well there are some asset allocation committees we want to switch from value to growth when your performance has stopped.

00:18:20 Pieter

So basically, when it's too late and so on and so forth. So you try to make predictions about evicted movements and so on. But as we discussed in the beginning, it doesn't make any sense. And basically what I did, we were locally allowed to buy stocks. So starting in March 2022.

00:18:37 Pieter

I started buying stocks of media platforms. I thought it was a quality stock in my end and basically as you also know from March 2022 to until the end of the year, the stock was down roughly 50%. So above a bit in March, then about a bit more in May about a bit more in, in, in October and so well.

00:18:57 Pieter

And there was the time the stock kept going down and down and down and down, and my colleagues they were. They were laughing with me because it was like throwing money in a bin or something.

00:19:06 Pieter

And I still recall that the last transaction I made, which was November 2022.

00:19:13 Pieter

On the against my colleagues on the work floor, I even didn't dare to tell that about yet another piece of meta platforms because it kept going down and down down. Everyone was laughing with me and now you can also already, yeah. Imagine the results or everyone knows the results well since.

00:19:33 Pieter

Since March 2022, the stock is up to 100% and even I think since the bottom of of of the end of 2022, it's up five 100%. So basically what happened at the end of 2022 made the platforms was trading at the year of 11 times earnings. It was basically value.

00:19:50 Pieter

There's a no growth cyclical high capital intensive steel stock or something like that. So when those kind of opportunities arise, that's something beautiful and you need to have probably two things. One, you need to have a very strong conviction. You need to have a strong gut and also it makes a lot of sense and it's very good.

00:20:11 Pieter

You.

00:20:12 Pieter

Get out the noise and not be on Wall Street. Don't be influenced by people who are.

00:20:19 Pieter

Focusing on the short term, all the time, that was my the key thing I was afraid of from working in industry. Everyone was thinking on the long short term. There I tried or wanted to be more like Buffett, but when you surround yourself with people would think in the short term well, you become the kind of person with the fire persons you hang around with.

00:20:38 Pieter

The most right.

00:20:39 Pieter

So that's something very dangerous, and the same is for news papers, traditional media and so on. Don't try to read those kind of things that focus on the short.

00:20:49 Pieter

And.

00:20:50 Pieter

Pick your strategy. Make your strategy that works, that makes a lot of sense and stick to it.

00:20:55 Kris

You will always have people commenting, you know, short term, you know, no matter what. I mean, if you're on the X Twitter, you get so many ugly comments when things are down. And if you have a big ego, it's it's great to be on the acts in those times.

00:21:14 Kris

Your ego will shrink. It's also a good sign because I always say that if everybody would be patient and focus on the long term, we wouldn't have an edge anymore.

00:21:27 Kris

So I always see that as you know an advantage and that's also why I said, you know before that you have to be a bit stubborn and and say, you know, I know better than all those people, it's a it's a bit arrogant but it has it should be based on knowledge and.

00:21:48 Kris

You know your strategy and sticking to it.

00:21:50 Dave

MHM.

00:21:51 Speaker 8

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00:22:11 Speaker 8

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00:22:22 Dave

So this is a question that I have about, you know, the the idea that you could own a company like a Shopify or a meta and have them down 50 to 80%. How do you at what point do you know you're right and keep holding or at what point are you like, OK, I was wrong and I need to just, you know.

00:22:42 Dave

Cut bait and accept the loss and move on. Like how do you manage?

00:22:46 Speaker 1

That.

00:22:47 Kris

Yeah, maybe I could start because the 80% is more for me to start with. I always try to earn holding too long, not selling too early. I know many people who, well, many I know at least a dozen of people.

00:23:04 Kris

Who held grey socks that would have made them extremely rich, like Netflix, Tesla, Apple, decades ago, etcetera.

00:23:15 Kris

But the stock was down. Whatever percentage and you know, they started to have to have doubts and they were.

00:23:23 Kris

Out.

00:23:23 Kris

That one stock could have made them multimillionaires.

00:23:28 Kris

Literally, I mean, I know somebody who was just out of college and bought bought Netflix shares with their first money and that was not because stock was down. But, you know, he had gained 30%. Wow. If he had held, it was like 300.

00:23:44

Hmm.

00:23:44 Kris

So I always try to earn holding too long. So when do I sell? It's not based on the stock price at all. It's based on my understanding of the business. So I just look at the numbers and as we just said, maybe you made a mistake.

00:24:03 Kris

In your process, when you were researching the stock but.

00:24:07 Kris

Can also be that the circumstances have have changed. An important CEO has left or you know there are multiple reasons why you cannot know the future, right? You make an investment decision, you invest now, but that is for the future and because the future is not knowable there, there will always be things that you.

00:24:28 Kris

Cannot. No. So yeah, I I think that you have to research you. You have to know very well what the you know the KPIs are for your company that you follow for example like if you look for multi baggers, you probably need revenue growth.

00:24:46 Kris

And probably quite high. If revenue falls off a Cliff, you know you should look is this temporary. Why is this? What does management say? When do they see growth coming back again? Etc, etc. So you really have to look at the company and you know.

00:25:05 Kris

It's always possible that, for example, many people sold in the past sold their Netflix thing because, ohh, the number of subscribers or accounts was not as high as.

00:25:17 Kris

Sell them. Ohh, they did. They didn't have growth. That was 2022. Ohh. Their number of subscribers actually went down. Yeah. Guess what? We have dynamic, right? You have to zoom out and look at you know the the long term trend line there and not you know the year over year or quarter of quarter alone.

00:25:39 Pieter

Well, well from my side. How to know whether your investment case was correct or not? Well, great investing is when everyone agrees with you later. Help me important thing and and what I also do with compounding quality on the website is I try to interview.

00:25:57 Pieter

A lot of very successful, very experienced investors.

00:26:00 Pieter

Like like. Yeah, like.

00:26:03 Pieter

Vitaly Katznelson, we did Kris Meyer with the transfer, our show and so on and basically what comes back all the time and the same was for Trick Acre and and Alma what is the biggest investment mistake you've made is it's always selling your winners to suing. So selling Starbucks in 1996 selling AutoZone in 1998.

00:26:24 Pieter

And so on. So I.

00:26:25 Pieter

Think that's a very important one.

00:26:27 Pieter

And everyone knows the famous saying well, cut your losses and let your winners scum. I think that's exactly true. And one framework I love to use myself as a framework popularized by Francois Joshua from giving capital is just to compare the stock prices with the owners earnings of the company.

00:26:47 Pieter

And the owners earnings of a company can be very easily calculated by taking the EPS growth to the dividend yield.

00:26:54 Pieter

And when, for example, let's say 2024 stock is down 10% but the owners earnings increased by 9 percent. Well, that's rather a a buy signal than a sell signal for me because you know that the company keeps growing its intrinsic value per share at higher rates. Well, when should you sell?

00:27:15 Pieter

Well, at least one do. I think you should sell cause one. One example I can give is for example, this year I sold tax as a. So nobody will probably know tax is a but it's a company that basically makes chat bots and when you go to website and get some customer support well that's what they have been doing.

00:27:34 Pieter

And why did you sell the company? Well, toward answer at tops, the company had a very strong competitive advantage remote, but after a few months, well, maybe it didn't. So maybe AI artificial intelligence might disrupt Texas a more than I initially thought. So I sold the stock around.

00:27:53 Pieter

85.

00:27:55 Pieter

Always slotting so PLM. And I think right now it's down even 20% more or something like that. So the key reason for me to sell a company is basically when the mode is deteriorating. So think about a company like product which or Nokia which were the clear market leader a few years ago or a few decades ago, but.

00:28:14 Pieter

Learned anymore today. Now, how can you?

00:28:18 Pieter

See how can you notice whether the mode is deteriorating? For example, when you see it, the gross margin is going down over the years when the return on invested capital is going down. Obviously when you already see that trend in charts from return invest capital, for example, it has been going on for a while, so at least a little bit we'll have.

00:28:38 Pieter

Yes.

00:28:39 Pieter

Will be implied in the stock price by now, but if you notice something like that, well, probably the great thing to sell as soon as possible, but when the company can keep creating shareholder value, that's another story. In that case, I'm very happy to see the stock price go down because then you can buy the company at cheaper valuation levels.

00:28:58 Dave

Yeah, great answers, great answers. All right.

00:29:00 Dave

So here's another question I have for you. I recently heard the acquired interview with Mike, Mark Zuckerberg, and I thought to myself, I think I might have been wrong about him. So how do you guys think about CEOs and how do you avoid?

00:29:20 Dave

You know any sort of bias is creeping in when you kind of think about, you know, somebody like Zuckerberg because he can be a bit polarizing, not as much as Elon, of course. But, you know, for me, it kept me away from the company and A and a good and a potential good investment. So.

00:29:36 Dave

How do you guys think about that?

00:29:38 Kris

For multi baggers, that's extremely important, because companies are their founder CEO's very often.

00:29:46 Kris

I think it's key to separate the person from the business person. If you look at Mark Zuckerberg, for example, I think he was 20 when he was invited by Sequoia Capital.

00:30:00 Kris

To give presentation, and he went in his pajamas to show like, Ohh I'm too late. I overslept. He had already showered but put on his pajamas again just to shock. If you see guys. So is that someone that I think is an adult? No.

00:30:20 Kris

But can it be a great business leader? Yes, same with with Elon. He has, let's call it politely, his.

00:30:28 Kris

Strange. You know behavior sometimes, but if you look what he does, if you read the founders so the the PayPal book, the book about the PayPal mafia, as they're called, it's fantastic book.

00:30:42 Kris

By the way.

00:30:43 Kris

You see that when PayPal was sold to eBay, Eel says well.

00:30:48 Kris

You go to search two companies, 1 electric vehicle and the other one. You know space company and the eventual goal is to go to Mars. But the first goal is to have reusable rockets. And everybody said, yeah, right, that's going to happen.

00:31:09 Kris

But you know the EV worked. He already has reusable rockets and you know he's still working for other goals. And of course he's over ambitious and he his timelines, you know, should be, you know, disregarded, but he has.

00:31:27 Kris

Extreme vision and sole focus on his goals kind of people as, as he said himself, you know, I build an EV.

00:31:37 Kris

When nobody believed in it and I build rockets and and you guys, you know, expect me to be a normal guy and actually that's true. And that's what you see with very good CEO's, even Warren Buffett, if you if you read the snowball.

00:31:54 Speaker 1

Hmm.

00:31:55 Kris

You you know that his his life until he was well into his 60s, was only devoted to his company. He was a man.

00:32:04 Kris

Eniac and that's what you often see with with those people that they are maniacs. Like I'm thinking about Marcos Galperin, the the CEO of MercadoLibre, and he sleeps like three to four hours every night because he only wants to work on this stuff. The guys are multibillionaire. He doesn't have to do that.

00:32:24 Kris

But he's obsessed, and that's what you very often see for the the types of CEOs that you know can bring their socks to be multi beggars.

00:32:35 Pieter

It's an interesting 1, so also from my side. Well, how do you recognize a great CEO, how to see whether you're you're wrong or not? I think one of my favorite investment books I read this year is what I learned about investing from Darwin on. He basically said, or one of the things he basically said in the book is you have two kind of errors you can.

00:32:48 Speaker 1

Hmm.

00:32:54 Pieter

Make as an investor.

00:32:55 Pieter

Like 1 error basically is buying a company that you couldn't have.

00:32:59 Pieter

What? And then you have type 2 error. Well, that's basically saying no to companies and not buying company. Well, you should maybe have bought it well for me personally, I would prefer to make the type to wear to not buy something while I should have white. There are worldwide. There are 60,000 listed stocks. So we basically have the luxury to be very strict in our.

00:33:22 Pieter

Bacteria. And that's exactly what I also want to to do in my philosophy and my style, and for me personally, that results in the fact that I basically want to invest my My Portfolio almost solely in owner operator companies. Why? Well, a lot of research about that. However, business review went so well.

00:33:43 Pieter

Those kind of companies outperformed by three to 4% per year on average on the long term. What's the reason for that? I think it's very straightforward.

00:33:52 Pieter

Those people, it's their baby. They are invested in the company with their own money themselves. So mathematically you just increase your chances that the incentives of management are aligned with the ones of you as a shareholder and you a lot, you have a lot of hidden agendas in the investment world and just by being so strict.

00:34:12 Pieter

Well, I'm just way too dumb to just look at. See you and see and try to indicate or try to figure out whether is a good one or not. But what I know is one that I ask whatever 90% of his wealth in the company, he will never ever make a decision.

00:34:29 Pieter

Purposely, that would harm the creation of shareholder value in the long term, and then once again, well when I was still young and naive, I joined the asset management industry and I already read everything above it and so on. And I thought, you know the numbers 99 zero percent of all professional investors and the performing market.

00:34:49 Pieter

So I arrived very hungry, very.

00:34:53 Pieter

Ambitious. I'm different. I'm going to take this and I'm going to be in the 10% and do it differently. And then you come in the structure with a lot of senior guys who have been working for the company for 30 years and basically what happens then is you need to execute what they tell you to do and otherwise, well, buy, buy and then you can look for another job.

00:35:14 Pieter

That's also the famous thing. Well, nobody got fired for buying an IBM or buying an apple, or buying an Amazon. And that's, yeah. Makes a lot of sense when you work in the industry and.

00:35:26 Pieter

And that's one of the main problems of the industry as well as you asked me. And that's also why I try to combine a lot of criteria.

00:35:35 Pieter

That rationally and in the past, has proven to tend to do really well and buying the owner operators is one of them. And it's quite funny to me that 90% of all investors and the performing market by just very naively buying a bucket of equal weighted.

00:35:55 Pieter

When your operator starts, basically you do 3 to 4% per year on average better.

00:36:00 Pieter

So by doing that you probably outperform 99.9% of all investors when you can achieve outperformance of three to 4% / 20 or 30 years. So I think that's something.

00:36:13 Pieter

Sad and funny at the same time, so trying to rationalize your investment process can make a lot of sense and be done towards and knowledge about yourselves that you don't know everything and just save for market timing. Well, don't do that. I'm way too.

00:36:15 Speaker 1

Hmm.

00:36:28 Pieter

Dumb for that.

00:36:30 Dave

So how do you guys? How do you guys think about? So we're we're talking about some of the better CEO's out there and owner, operator businesses and whatnot. So what happens if if Jeff Green leaves trade desk or Elon Musk steps steps into the government and tries to help you know be an efficiency expert like how do you guys deal with you know?

00:36:51 Dave

David Velez, leading new bank, is that are you out or is it depend on where the company is in their life cycle?

00:36:58

Oh.

00:36:59 Kris

Yeah, it's the last thing. So it depends like you know, Jeff Bezos leaving Amazon or as the CEO, that was like you're good, Jeff, because you know, when you're able to do it, if he had done it just like three years before, I would have been out. It depends on the stage the company is in like.

00:37:19 Kris

For example, the trade desk Jeff Green is so important there he knows the industry so well and.

00:37:27 Kris

I don't know if there could be someone replacing him, you know, in a great way. So probably I would, you know, sell half of my stock immediately if I heard that he quit or you know something happens to him or so I would probably sell half of my my position and then.

00:37:47 Kris

See what happens and how the company continues.

00:37:51 Kris

To to work.

00:37:52 Kris

If you look at what Steve Jobs did at Apple.

00:37:55 Kris

I think that left the legacy there and that's the only thing that can offset those, you know, great personalities. If there is a company culture that still breathes founder or the you know the the visionary CEO's spirit.

00:38:15 Kris

So that's, you know, that's very important. If that happens that.

00:38:20 Kris

Can work. I think the same thing if you listen to Andy Jesse. So the CEO of of Amazon right now, I think he's more business than Jesus was at the end, he says, OK, let's cut 50% of middle management bomb. That's what beezus used to do. So I think that, you know, Jesse will do extremely well.

00:38:39 Kris

As a CEO.

00:38:40 Kris

Just like Tim Cook has A at Apple it it depends a little bit, but in the earliest stages of companies, I think it's very important that those people are there for Tesla. I don't know without Elon, do you know any?

00:38:56 Kris

Anyone from management outside of Eli don't, and I think very few people would, so if his.

00:39:05 Kris

Crazy genius is not there. I don't think they will achieve all the potential that they still have. Yeah, it depends on the company. It depends on the stage the company is in. But yeah, founders or CEO's can be extremely important to the investment thesis.

00:39:25 Pieter

Yeah, exactly 1030, we here. So say for me when when the the founder would step down would make me more cautious for sure. So that's something to take care of. Same for Berkshire Hathaway. What happens when Buffett would pass away one day, probably the the stock would go down that day. It was also really important to understand.

00:39:46 Pieter

Is that, for example, for Berkshire? Well, Charlie and Warren have built on the company culture for so long that it will keep going for several years and hopefully decades. And the culture will stay strong. So company culture is also something very.

00:40:01 Pieter

Important and another example. Well, one company I'm looking at right now to.

00:40:07 Pieter

For the portfolio.

00:40:08 Pieter

Is a digit scientific and basically it was a coincidence because two years ago I went to the Berkshire AGM and Alma and then live in Belgium so needed to take the plane from Omaha to Chicago.

00:40:21 Pieter

Chicago, London and then London, Brussels. And so we arrived in Chicago and we needed to take the plane to London. I was feeling a bit lost in the airplane.

00:40:31 Pieter

And I noticed that someone behind me was also on the on the on my flight and he said that you need to go to London. So we started talking. Do you know, I asked him, do you know where we need to go for the London?

00:40:41 Pieter

Flight which terminal ends.

00:40:43 Pieter

Well, so he helped me. Was really kind that we start talking and then I said, well, what, what do you do? What? What brought you to Alma, obviously the Berkshire.

00:40:52 Pieter

Yeah. And basically said, well, I'm active in, in some kind of of Danaher slash Thermo Fisher activities. I work for a company called Judges Scientific.

00:41:02 Pieter

And very vaguely that that rang a bell for me because I knew it. There was a serial acquirer, very successful. It's a 100 beggar. So it's early 2000s. And then I asked him, well, well, what, what function do you have? What do you do at church scientific? Well, I'm the founder and CEO. Obviously, that gets you really interested.

00:41:23 Pieter

So we started talking for for two hours and it was really kind to this time and I basically.

00:41:30 Pieter

Was like it was like a podcast. I kept asking questions and questions and questions, and he answered everything until he fell asleep. Almost because basically, well, he's the father and CEO. It's an excellent business as well as the CEO. He said to me, well.

00:41:50 Pieter

The bold statement. It has been a 100 bagger since early 2000, he said.

00:41:54 Pieter

Well, I asked him how much room for upside potential you still have, he said. Well, he didn't answer the question and then 10 minutes later he came back and he said I think we should still be able to 20X over the next 20 years. Well, why am I telling this this story right now? One of the main things.

00:42:15 Pieter

For potentially not investing in judges, scientific is that well, David David Sorrell is in his late 70s.

00:42:24 Pieter

Now he is the founder, CEO. He doesn't have any family in the business. So what happens when when he decides to quit, retire passes away? That's something to think about for sure. And in that case, the corporate culture is very important. On the other end of the story. Well, ***** it. Warren Buffett wants again.

00:42:44 Pieter

Choose for our pick a company. An idiot can run because one day someone will. That's also something very important. You want to invest in great companies because when you have a great company with a bad manage.

00:42:56 Pieter

You're probably the company will keep doing well built when you have a terrible business and an excellent manager. Well results won't be very good, so just the quality of the business and whether it's in the second trend and so on is also very important if you ask me.

00:43:12 Dave

Yeah, great answers. The CEO's are, you know, I liken them to coaches or chefs of a restaurant that you don't have them, you know, go to Michelin 3 star restaurant and the chef leaves. There's chances are the food will be good, but maybe not as good. And over time that will that will start to fade. So what do you guys think about?

00:43:33 Dave

When you find a company that you really like.

00:43:37 Dave

And you want to buy it? How do you think about when is the right time to buy it? In particular, I'm thinking, you know, Kris mentioned in his newsletter that he's buying ASML. And Pieter, you can kind of chime in too. So what do you think about why? Why buy ASML now? Is it because the stock price dropped is because of valuation?

00:43:58 Dave

Changed. Is there something about those kinds of companies or companies just in general that that give you and this is the entry point to go in?

00:44:06 Kris

Yeah, I I actually was to give Pieter the first shot here, but as you asked for SSML the 1st.

00:44:12 Dave

OK.

00:44:15 Kris

Well, in the case of the as of now, for me, investing is never a moment. It's a process. And what I mean is I never invest everything all at once. To the contrary, I invest every two week.

00:44:28 Kris

So I have bought more SML. Is is the correct version here? And that is because I think it's cheap now. Cheap is is of course always in the eye of the beholder.

00:44:42 Kris

Right.

00:44:43 Kris

You can always find reasons why company is cheap and you can always find.

00:44:47 Kris

Reasons why it's still not cheap.

00:44:49 Kris

Enough. So I think you should be, you know, very careful. It depends on the stage the company is in. If you have a company growing at 4, it's its revenue at 4050%. You cannot look at the PE ratio and think ohh this has a PE ratio of 15 you will not.

00:45:10 Kris

My that company, it always depends. You know a company can be a great company even if it's unprofitable for early stage. You have the rule of 40 there. So revenue growth plus free cash flow margin.

00:45:24 Kris

Should be 40 or higher, so that means if a company loses.

00:45:30 Speaker 2

10.

00:45:30 Kris

Percent free cash flow, but it grows at its revenue at 60%. You know that it has a rule of 40 of 50, which is high. That can be a good investment. So every stage has its own valuation.

00:45:45 Kris

As it were, the mature stage is of course the the easiest one because it's well, it's never easy. It will remain complicated and complex and subjective. Many people act as if this cash flow is objective. It's totally not because it has your.

00:46:02 Kris

It has the, you know, the assumptions of the one who makes it, and you're looking into the future again. But you know, like ASML, for example, if you look at what what's coming in the next few years, I look at the forward PG there. So what is the forward PG is something that I adapted from Pieter Lynch. So Pieter Lynch talked about the PEG.

00:46:23 Kris

Price earnings grow.

00:46:25 Kris

And he wanted the PG of one or lower to be really cheap. Now I look at the forward PG's, so if a company is.

00:46:34 Kris

Profitable, of course.

00:46:36 Kris

You can look at what it will do in 20/25/2026 for example. So you take the the PE of 2025 or 2026.

00:46:44 Kris

And.

00:46:45 Kris

Expected be of course, and you divide it by the the expected growth. Now if if you have a a company here, it's an adaptation and it it's more you know it's higher growth so here you want actually if it's above 2 it's it's expensive one between 1:00 and 2:00 it's quite fair.

00:47:06 Kris

Under 1 is.

00:47:08 Kris

If you look at as a Mel, which is a fantastic company, so quality matters a lot here. It's the only company that I know that has a 100% monopoly on technique that is extremely important for the whole world. So if you don't know what ASML does, they make the machines.

00:47:27 Kris

From which chips are.

00:47:30 Kris

So without Ismael, no AI, for example, they have the high NA EUV's and they are the only company who can make them in the world. The the current version costs between 180 and 360 million apiece, the next version.

00:47:50 Kris

So it's planned for 20.

00:47:52 Kris

30 and will probably cost around 725,000,000 per machine. It's an extremely complicated machine with hundreds of thousands of hearts, many of which are made by companies that, as amount has bought throughout the years. So this is a monopoly that no one can break.

00:48:12 Kris

In you know before 20-30 when SNL already has a new machine that you know, so they will keep their 100% monopoly in that part of their market. So that's the that's the you know for the the.

00:48:26 Kris

Three top performing chips. You need those machines. There's no other way. That's why I think that every time that SQL is fairly valued, you should buy it because its mode is going to last for a very long time. And if you talk about the mode, how many companies?

00:48:32 Speaker 1

MHM.

00:48:46 Kris

Dan, do you know with a 100% monopoly in in the market that is going to grow the fastest and you know will bring the highest tickets so.

00:48:58 Kris

You know that's that's already enough for me, I think.

00:49:02 Dave

Good reason.

00:49:03 Pieter

This is the the the first time I'm we we maybe want to agree, Kris, because I'm also, but that's once again because I'm very, very strict in what I want to buy and and don't want to buy because you obviously is my as a monopoly. But for me personally, well I.

00:49:23 Pieter

I think I don't like to have exposure. I basically don't invest in anything linked to semiconductors at all.

00:49:30 Pieter

Because of the the the macroeconomic China risk cancer and also because of the somewhat cyclicity, obviously that's completely different for for company like ESL compared to O and semiconductors or STM and so on. But maybe to answer the question also in general well.

00:49:48 Pieter

How or when to buy a company and then how do does the valuation needs to look like and so on. I really don't believe that we're able to time the markets. So I think it's impossible and that it's be your luck that you bought the stock at exactly the right time or the other way around that you sold the stock at exactly the right time.

00:50:08 Pieter

And a beautiful thing for most people. Beautiful things for us. Probably also for most people listening we are still working. We are still generating income and that also means that we can keep

adding to our stocks. So dollar cost averaging, that's something beautiful. Well, every month you get a salary every month.

00:50:28 Pieter

You can invest a certain percentage of your salary in stocks, and that's how you make money while you sleep, basically.

00:50:37 Pieter

Well, in general, how to know that you found a great company? I think my best investment so far.

00:50:46 Pieter

And I have through in my mind right now, have always been investments that when I found out about the company, I just couldn't sleep. It's more gut feeling, but you will learn about the company you get so enthusiastic that you want to learn everything you potentially can. You start to digest the 10 case, all the investment cases you can find.

00:51:08 Pieter

Learning skills and so on, and it's a bit like like Soros, I think said, well, when I have pain in my back, I know that something is wrong. Well, here it's the other way around. When you really get excited, it's almost.

00:51:21 Pieter

Like you can't fall in love with your stocks, but it feels a bit the same way when you find about a great business. And those have been good feelings, but seems like following your gut feeling well often also worked really well there and and once again well.

00:51:41 Pieter

For me.

00:51:43 Pieter

What's the entire philosophy of quality investing in this case? Will buy one of the companies at the fair price so fair price? We don't want to buy a company at exactly the lowest valuation level because that's just not doesn't make a lot of sense to me. It also doesn't make sense to try to determine the intrinsic value of a company.

00:52:03 Pieter

2 decimal space.

00:52:05 Pieter

Like, yeah, Wall Street basically does, but it's better to be roughly right than approximately better do. Sorry, it's better to be approximately right than exactly wrong. So using a straightforward approach, a napkin approach? Well, it was most probably we said, well, when you need an Excel.

00:52:25 Pieter

To to calculate the intrinsic value of a company. Well, don't buy the company because you don't know what you're doing. Keep things simple. Use back on the back of the napkin formulas. I think that's really important and.

00:52:37 Pieter

Let's see.

00:52:39 Kris

Just want to add one thing, if you talk about multi burgers then I don't look at valuation that much. Why? Let's give the example of Shopify. I bought it in well, actually bought it privately in February 2017 for the first time. It was at split.

00:52:58 Kris

Just a \$5 and 54. I think it was extremely overvalued.

00:53:05 Kris

Now, guess what we're at. I don't know today, but something like \$7580 and it's still extremely overvalued. So how do I, you know, how do I know that when to buy? Well, as Pieter actually said, dollar cost averaging is great because if.

00:53:25 Kris

If the stock market.

00:53:26 Kris

Pressures you can if a stock goes down by 50% with the same money, you can buy 2 shares, right? That brings down your costs and I even have a system which I call a dollar cost average averaging on steroids with thresholds. If the market drops by this much, I add so much more and.

00:53:46 Kris

How do you do that?

00:53:48 Kris

So for example, when the market is down 20%, I try to add like 40% more to my dollar cost averaging. So investing more money. Where do I get that? Well for a part from you know, my cash stack for a part, even I don't contribute to an emergency fund.

00:54:08 Kris

For a few months or so, and even want to take out if necessary.

00:54:13 Kris

You know of.

00:54:14 Kris

Course you should always keep something in your like for.

00:54:17

Like.

00:54:18 Kris

3-4 months should be there at least, and probably bit more. But in those times I you know, I even take out a little bit so I can invest more. I think if you do that and you're able to do that as I did in 2022, I think that your results will even be better.

00:54:38 Dave

All cost averaging is a powerful tool, isn't it?

00:54:41 Kris

It is.

00:54:42 Dave

It is alright. So I got one more question for you guys. So what is one company you wish you could buy and why and why haven't you?

00:54:53 Pieter

Should I start, Kris? Yes.

00:54:55 Pieter

Ahead.

00:54:57 Pieter

When you ask this question, they well, let me think for a second. What is one company you wish you would have bought but didn't, and why? Well, for me, I have a lot of companies that are on my list that I would love to own one day. But but I think are too expensive. So so when the valuation looks too expensive.

00:55:16 Pieter

Thinking about companies like like Heiko Copart, Constellation Software, and I think, well, at the end of last year.

00:55:26 Pieter

I wrote something about my major mistakes and I think for me Constellation software is definitely one of them. So that's the company I would have loved to own or have owned. And it's a pity because I knew about it and I didn't buy it. So I think in 2019 I spent everything I could find.

00:55:46 Pieter

From Mark Leonard, start reading the his annual letters reading the 10 case and so on. So I knew it was a great business, but the only thing that's that's.

00:55:57 Pieter

The only reason why I didn't buy it yet back then is something in the 2010 and I will share all the letter. He basically said. Well, we tried to buy companies like EV EBITDA about five times, earnings are EV EBITDA 5 * 6 times and so one well unless we start.

00:56:17 Pieter

Buying companies above an EAB tab of nine, you shouldn't worry, and we will continue to define. So actually, what was the case back then? They were buying companies and EV EBITDA above mine. So I thought, OK, maybe things have changed. The law of large numbers, the larger you get.

00:56:33 Pieter

Well, the more difficult it gets through to grow attractive rates and as well and then obviously COVID happened and I was looking at the company again and I still thought it was a bit too expensive and we all know how the the chart of constellation evolved since then, but.

00:56:53 Pieter

Translation was training at the at the 40 or something like 222 times earnings back then. Now it's more like it's been a while since I looked, but I think it's more like 37373637 something like.

00:57:08 Pieter

So with those great companies, they often trade at very high valuation levels and sometimes you get rewarded for paying up for them. And that's also when you everyone knows the classical discount cash flow model. Well, the beautiful thing about companies like Hico.

00:57:27 Pieter

Or cancellation MasterCard fees?

00:57:29 Pieter

This one.

00:57:30 Pieter

Is that they can keep growing at above average rates for way longer than 10 years. And when you would do a DCF over a period of 15 years or even 20 years, basically every company is undervalued and obviously it's a very dangerous, very bulk assumption to make that a company can do this.

00:57:51 Pieter

But in practice, a lot of companies can, and when this is the case, well, even if you pay a very.

00:57:59 Pieter

Love the valuation of at first sight it can still end up in being an excellent investment, so also in general to answer the question, I think the major mistakes is to.

00:58:10 Pieter

Have been too frugal and and not paying up for quality.

00:58:15 Kris

Yeah, I'm. I'm gonna. I'm gonna rub some extra salt in the wound here. I own Copart and Constellation software.

00:58:24 Pieter

Bye guys.

00:58:28 Kris

1st to answer your question, which one do you know was I?

00:58:34 Kris

Actually I I don't have that feeling because if a company is really, really high quality, I buy and I dollar cost average, I will probably buy a small position. If I think it's it's very expensive. No, I always start with a small position.

00:58:54 Kris

Actually, because I want to see how the company performs while I own it, and if you own it, you pay more.

00:59:00 Kris

Mention, but if I see that the valuation is high, I'll probably keep that position quite low when I see that you know a a small for example, I it was at 400 like, I don't know, was that 2021 something 2022 and then I bought a lot.

00:59:21 Kris

But then I didn't buy for quite a while again, and then it dropped at to 600 and then I bought.

00:59:28 Kris

Again, and now I have added again when it dropped to, I don't know, 680 something that's the the advantage. If your dollar cost average, I can think of you know I looked at Tesla in 2016. So you could say that's one that got away. But you know that was a dead man walking and Elon.

00:59:49 Kris

Later admitted that.

00:59:51 Kris

He actually wanted to sell to, to Apple because.

00:59:55 Kris

They only they they were two weeks away from bankruptcy and you could.

00:59:59 Kris

See that in.

01:00:00 Kris

The numbers that was awful. So you could say that that was one that got away. I bought, I bought later. I bought. When it was early last year, it was in the 100, around 150 something that's when I bought it for the.

01:00:16 Kris

Very first time I don't really have those.

01:00:21 Kris

I I don't let valuations offset my buying because I know how subjective they are and sometimes you know I started out as a as a deep value investor. So sometimes I still have to.

01:00:35 Kris

Recover from that and.

01:00:38 Kris

And uh, you know, just think like, you know, you're not that guy anymore. Just buy this wonderful company. And if your time horizon is long enough, it it, it will do fine. And I think that valuations are.

01:00:55 Kris

Very important. If you invest for like the next five year, but if you want to invest for the next 25 years, they will make not such a big difference. I think so that doesn't mean they're not important. If you know that you're going to hit yourself because you bought at this valuation.

01:01:15 Kris

And now, two years later, the stock is down.

01:01:19 Kris

It's still down like 30 or percent or something. That's very important psychologically as well. That can be important. It's not for me because I look at the the long term and the the investment thesis is not the stock price, the stock price for me is the very, very last thing I look at and that includes the valuation.

01:01:39 Kris

I don't really have those kind of.

01:01:42 Kris

Damn, that one got away kind of stocks. So yeah, I even the Tesla was like, you know, that was the right decision at that moment. If you looked at that balance sheet.

01:01:56 Dave

Yeah.

01:01:56 Pieter

That once again shows that there are multiple roads that lead to Rome. Not sure whether that's staying in the US, but.

01:02:03 Pieter

It's the beautiful thing that that's.

01:02:07 Pieter

Every person, every human being, is unique, the same as on the stock market and just follow your own passion. Follow your own personal beliefs, but obviously very important back then by statistical data and make sure that your strategy works and if that's the case.

01:02:24 Pieter

I think you can be perfectly fine and I'll perform the markets where whether you're a growth investor value investor.

01:02:30 Pieter

Faulty, so or altogether because, yeah, all intelligent investing is value investing. Trying to buy stocks for less than what they're worth, something. That's Charlie munger. Was that so beautiful one?

01:02:33 Dave

Yeah, right.

01:02:44 Dave

Yeah, that's a. That's a great place to end. I greatly appreciate you guys's time today. So where can people go to find more of what you guys got going on? And I'll put all this in the show, show notes as well.

01:02:57 Pieter

Well, like first of all, Dave, what I would say is congratulations, what you are doing, what you're doing with the podcast is amazing. So encourage everyone listening. Everyone was still here to send an appreciation, appreciation message or e-mail or something like that. That's beautiful. Well, for me, you can find me.

01:03:05 Dave

Thank you.

01:03:17 Kris

And and and a rating and rating.

01:03:19 Pieter

They need ratings. Exactly. So that's fun. And and in general, where people can find you via compounding quality on that.

01:03:27 Pieter

On Twitter or ex, you should say nowadays or combining quality.net and happy to discuss investment ideas and I I reply on every e-mail so whenever I can help you just let me know.

01:03:40 Kris

Yeah, and you can find me on ex at from valueandmultibaggernuggets.com on subsec and potential multi baggers on Seeking Alpha.

01:03:51 Dave

Yeah. And again, everyone, I'll put all these in the show notes and I, I will say this too. These are two of the better investors out there. They're also two of the smartest people out there and they're also two of the more humble people out there sometimes in the investing world, you can come across some not so savory people. And Pieter and Kris, as you could tell from our conversation today.

01:04:11 Dave

Have a lot going on for them and they're very, very genuine with what they're doing and they're very helpful. And I think that.

01:04:17 Dave

They're two of.

01:04:18 Dave

The best follows whether you're an X, LinkedIn or on sub stack, so definitely.

01:04:23 Dave

Check them out guys. Thank you again very very much for coming on and talking to us today and help educating me as well as our listeners. So with that, I'll go ahead and sign us off to you guys, go out there and invest with the margin of safety emphasis on the safety have.

01:04:36 Dave

A great week and we'll talk to you next week.

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