

Mike: 00:01:00 All right gentlemen.

Adam: 00:01:00 Welcome everyone. Welcome Jim.

Jim: 00:01:04 Thank you, it's great to be here. It sounds like you're ripping on some Dr. Dre beats and your intro there.

Adam: 00:01:13 Nice catch.

Mike: 00:01:12 100% all the time.

Jim: 00:01:14 I love it. I like it. I like it. I'm happy already.

Mike: 00:01:18 Now to get Chronic, got to get the Chronic.

Richard: 00:01:20 We're going to continue to slide five before we go into the investing as we were doing offline or we got.

Jim: 00:01:25 Let's jump into Dr. Dre. So Dr. Dre is in my opinion probably the most gifted producer in all of hip hop. I love it when he does his own stuff. And that really reminded me of him. Anyway, so good for you guys. Good for you.

Mike: 00:01:43 Well, welcome Jim.

Jim: 00:01:44 Thank you.

Mike: 00:01:44 Thank you for joining us and I'll just start with a few comments. As we get started, I want to remind everybody, Riffs is a wide ranging exploration of ideas and thoughts, and nothing here should be considered investment advice. So if you're going to do something that stems from this, check with a professional, do your own research, take some time in all your investment decisions. And with that, let's roll.

Backgrounder in Sci fi

Adam: 00:02:11 It's hardly going to be any trouble in this broadcast since we're not even going to get into investing. It's going to be all sci-fi.

Mike: 00:02:19 Exactly, do your research there too.

Jim: 00:02:21 I actually did that on a podcast that I haven't released yet. I'm not sure if I'm going to release it. It was a well-known investment guy and literally we talked for like an hour and 20 minutes and then I realized that we hadn't talked about investing once.

Adam: 00:02:39 Yeah absolutely must release it.

Jim: 00:02:43 I got to make sure it's cool with him.

- Adam:** 00:02:45 Yeah. So we were all just saying how excited we were with the new *Dune* series and how the *Asimov Foundation* series would make such a great HBO miniseries. Did you ever read any of the *Wheel of Time* series by Robert Jordan? We're off the sci fi and now...
- Jim:** 00:03:03 No, I was more strictly a sci fi guy. I particularly like sci fi where the author tried to make some of the advances consistent with the rules of physics, because I'm also like a big quantum physics guy, and the ones where they could make them like tenable. That they could actually, potentially if we gained a bunch of new knowledge come up with, I think that those are super cool, and if you're not going to do that, then go wild. Then have different laws of physics, have different everything. But if you're going to do the physics, man that makes sci fi go sci fact, and I think it's pretty cool.
- Adam:** 00:03:54 That explains it.
- Jim:** 00:03:55 Yeah, we've got the...I don't wear an Apple Watch, because it's my one an anachronism, because I love tech, but for whatever reason I like regular watches. But I was going to pretend if this was an Apple Watch, Dick Tracy. That's where we got that from.
- Adam:** 00:04:14 Right. So that explains because you always quote Douglas Adams, and that's obviously not you. You're just saying how you love hard sci fi that really deals with science facts. And Douglas Adams is right at the opposite ends of the spectrum. Robert Anton Wilson the same, more philosophical. Well, it's really Robert Anton Wilson and then Douglas Adams was just kind of silly, right? Which sort of ... into the continuum.
- Jim:** 00:04:43 My position on Adams, who died tragically young, he was in his 50s when he died of a heart attack. The first thing that amazes me is that he got all that done. So *The Hitchhiker's Guide* it's just one of his many books. He's got other books that are fabulous, I've read them all. But the minute you understand that Douglas Adams is not a comedic sci fi writer, but rather he is a pretty profound philosopher. When you change your mindset, when you reframe him as a philosopher as opposed to a comedic sci fi guy, that guy is right up there with Lao Tzu in my opinion. He's got a very switched on if you will, a very enlightened view of the whole crazy mess we call life, and he's funny. I think that those two combinations are gold, if you can...
- Adam:** 00:05:44 They are actually sardonic tone.
- Jim:** 00:05:46 Yeah. If you can't be funny about really tragic things, you're not going to make it in that kind of, but people who are, the world's their oyster.
- Adam:** 00:05:59 Yeah, and Robert Anton Wilson has that same sort of attitude, right? And he sort of mixes in the raunchy too, which makes it a little bit more colorful.

- Jim:** 00:06:09 I discovered Robert, I had a friend, I read an essay by my friend Dan Jefferies. And it was like three years ago. He had put it up on Twitter, somebody had re-posted it on Twitter. And I'm reading this thing and I'm saying, can I, did I write this under a pseudonym? So one of my big things about social media is, I think social media is amazing but you got to take it to the second and third steps, ie, you have to be ruthless in your curation of your account. I don't block people, I mute them, because for the most part, they're just idiots and they don't really mean any harm. But they're saying stupid things and everything and so I mute them. And when you do that, you decrease the noise which, Twitter is a big noise machine, and increase the signal anyway. But then after that, if you're really like somebody, I believe very deeply you got to meet him. If you can pre pandemic, I would actually meet them physically. After, during the pandemic, I called and Zoomed with them. That's the key, in my opinion.
- Anyway, I read Dan's essay which I loved. Rick and Morty describe the universe and it's Jed McKenna and all these guys. And so I tracked him down, I'm like, your genius, I want to talk to you about this. And he made an offhand comment. He's like, "Well, yeah, have you read any Robert Anton Wilson?" I'm like, No, who's that? So literally, I'm kind of an all or nothing kind of guy, and so I got every one of his books and I read every single one of his books. I read several of them twice. This guy, he's 60 years ahead of his time, and half the stuff that he says turns out to be wildly inaccurate. But then the really interesting stuff that he's talking about, especially tech stuff, and especially on what we learn about ourselves and culture and everything, man bang on. And so he's like that though. He's very, very funny.
- Adam:** 00:08:29 And raunchy.
- Jim:** 00:08:31 And raunchy. Funny works with me though. If you're really super smart and you're also funny, you're okay in my book. So he was one of those.
- Adam:** 00:08:40 I remember my mom gave me this book when I was 15 or 16, called *Einstein's Dreams*. I went through a real quantum physics phase too, that she gave me this book called *Einstein Dreams*. You're nodding, so I think you're familiar with it. But each chapter is a vision of how the world would work if time moved in a completely different way than it does, like the linear time. And then the next book she gave me was *Shrodinger's Cat* by Robert Anton Wilson, and I thought she thought, wow, this sci fi, philosophy, psychology. But it's all those things, but it's also raunchy as hell.
- Jim:** 00:09:18 Very raunchy. Mom did not read ahead.
- Adam:** 00:09:21 No, that that was unfiltered for sure.
- Jim:** 00:09:25 Good for you though, you're like I have the coolest mom in the world.

- Adam:** 00:09:29 Absolutely. My mother was the president of Planned Parenthood for many years. She was definitely progressive minded anyway. But anyway...
- Jim:** 00:09:41 God bless her.
- Adam:** 00:09:42 Yeah, definitely. So, this was supposed to be an investing podcast. I guess we could go on about sci fi and reading forever. But I did want to ask, you're currently... actually, before I get into this, I want to know have you ever been in the same room as Dave Nadig, because I was listening to some of *your Infinite Loops* podcasts and then I was listening to Dave Nadig just immediately afterwards. I'm like, I swear they are the same person, because you guys have the same tone of voice, the same enthusiasm, very similar mannerisms, like similar interests, sci fi nerdiness. Has anyone else ever told you that before?
- Jim:** 00:10:28 No, that's the first time, which is great. I love Dave, he's a great guy. We have never been in the same room actually. However, he is curing that because he didn't realize that our offices were in Stamford. So I live in Greenwich, my office is in Stamford, like not even a 10 minute drive from here. And it's in the historic building which is actually beautiful. Like 1913 it was built, brick, gorgeous, like the inside. Now obviously, we upgraded everything. He goes, for some reason I thought you were in Philly. And he goes, you're within driving distance. I'm like, come on for lunch baby. You can come.
- Adam:** 00:11:18 He'll come.
- Jim:** 00:11:17 Yeah, I know he will. Well what we'll do now is we'll take a picture of us together and we'll put it up on Twitter. So all the people who were like dammit, they aren't the same guy.
- Adam:** 00:11:31 That was my conspiracy for sure.
- Jim:** 00:11:31 Another conspiracy done in.
- Adam:** 00:11:36 Yeah. We'll played *Dungeons and Dragons* with him one of these days.
- Mike:** 00:11:39 I got one call back though. How do you balance meeting your heroes with your pursuit of meeting your heroes? How has that worked out for you in pursuing those that you have sort of fond over? What's your experience been in real life with balancing that?
- Jim:** 00:12:00 So, there's a great line from an English comedy. I can't remember which one but they the line was, "*no man is a hero to his valet*". And so what happens is...
- Mike:** 00:12:14 I got to think about that for a minute.

- Jim:** 00:12:18 Yeah, you need to. I hired a young man in India, his name's ... Later after I hired him, he's like, you do know that you're my hero and that I can't believe I'm doing this Zoom with you. And I went, I won't be your hero for much longer. Honestly, I don't look at them as heroes, to be honest. I mean, if you want heroes Professor Fineman is a hero of mine. Voltaire is a hero of mine. But I look at them as super interesting people. I am just lucky enough to be able to when I asked them to talk to me for an hour and a half, they will. And so the whole reason behind *Infinite Loops* was honestly so that I could talk to people who I find fascinating, because I thought other people might too. And so I love it. I love it.
- And some of them turn into good friends that we end up talking a lot of, like I mentioned Dan Jeffries who wrote the thing about Rick and Morty and Jed McKenna explained the universe, which is very good. And then others we just maintain a very good email, dm kind of relationship. Tim Urban and Alex Danko. Alex Danko is now going to be a permanent revolving guest. Because this guy is literally so smart that he can talk extemporaneously about any topic. I'm going to do this as one of the podcasts by the way, I hope he doesn't see this. Because what I'm going to do is I'm just going to randomly select five really hard topics. And my bet is on him. He'll be able to extemporaneously with no preparation expand on them for 30 minutes and what he says will be right. So guys like him, I love guys like Tim Urban's, another guy, "*Wait But Why*". I love these super curious people.
- And so another that I'm going to have on is Rory Sutherland, who wrote the great marketing book about looking at Mark. I'm blanking on the title. But I like interesting people.
- Richard:** 00:15:01 So you guys are about, I don't know, 45 episodes deep into *Infinite Loops* and you range across the board in terms of topics and interests. What are some of the topics that are most exciting, interesting to you at this point? Both in investing and just generally across the global zeitgeist.
- Jim:** 00:15:23 Before I answer your question, Rory's book is *Alchemy*, and it's a great book, I highly recommend it. I'm having him on again next week because he's got a new thing out. Back to your question. I am fascinated by people who do really deep research. And it doesn't have to be in markets per se. I'm obviously fascinated by those folks too. And like Dan Rasmussen, we have him coming up. Our very own Jesse Livermore, who's .. .
- Adam:** 00:16:04 Those are great guys.
- Jim:** 00:16:05 The guy's a genius. He's written three papers for us that I had a good friend at a big investment bank call me and say, he got a call from a professor at his university which is very prestigious, who said that paper could have been his PhD thesis, and he would have gotten his PhD. So things like that are really fascinating to me. I love super smart people who have non canned answers to things. I love people who admit when they don't know. Because that, I mean, if I have a superpower maybe

that's it. It's like, I'm very willing to say, I don't know. I don't know. Tell me. That's why I started the podcast honestly. So all these things that I was curious about, smart people would tell me the answer or I had an answer that gave me a chance to have actually gotten, and looked into it. So I love those kind of deep dives.

But, we've done other podcasts about things that have like really resonated with me. We did, Chris Arnade, the author of *Dignity*, about what he calls “*the back row kids*” in America. And frankly, that was something I knew nothing about. And neither did he, he was a trader at a Wall Street firm, did very very well, and then he decided that he was not doing what he needed to do. So he went out, he left his job, he got a camera, and he went to like the worst parts of town, everywhere in America. And instead of finding horrible things, they were there of course, but he found people who he was able to talk to in a way that...I just think it's an amazing project because these people, we dismiss them as caricatures and they're not caricatures, they're real people. And we don't treat them so well. And we need to get better at that. And so that was something I didn't know much about, that really opened my eyes in terms of that.

So I try to approach each podcast with a list of the things that I really think not only do I want to know, but I've talked to friends and things and they'll say, hey, what do you think about x, y, or z? And I'll say, I don't know. Like a big topic these days is where is the world going in terms of everything, not just our field? And I have a very specific point of view about this. I think we're in what I call “*a great reshuffling*”, and I think we're moving into the digital world away from the physical world, and the properties and the talent, the skill set for those worlds is very different. Physical world you manipulate things, you build things. Physical world, you're a symbol manipulator. I'm a symbol, everyone here is a symbol manipulator, right? So if you're good at that, you're going to get really good at digital. Linear thought versus nonlinear thought. If you're able to think in a nonlinear fashion, which by the way a lot of people are not able to do and it's not their fault. It's the way that they were taught, it's the way that they did their job and they were good at their jobs.

Richard: 00:19:44

It doesn't come naturally, right? It's something that is learned. I don't think we're wired to think anything other than linearly, but then if you're exposed to that kind of thinking, I think it's more of a learned skill.

Jim: 00:19:57

And it's the same thing with deterministic versus probabilistic thinking. So I had to train myself, it took me six years to do this. Because it's not natural. It's not natural to think in probabilities. It's amazingly good once you get good at it. But so I also think, and I just had this experience happen to me, we've gone from a world where credentialism was the thing. So listen, my three children, one went to Yale, two went to Notre Dame. So they got really good credentials. But I think that the truth of the matter is we're moving from a world where that *imperator* of a Yale or Notre Dame or a big publisher is losing power, fast. And so we're going from, my degree suggests competence, to a *living here is my body of work that is continually*

updated, and you have access to it on the internet. So we're going to a living proof of work ongoing, from a static resume. And I got to tell ya, and the final thing there is geography, time, space, meaningless in this new world. The guy I hired is in Bangalore, India. And this kid already has been working for me for under two weeks and he's already like, he's got the audios, I do a website. He's got all these things I hadn't even thought of, and I just did a Zoom with him today and he's like, yeah Jim, what we really need to do is, we needed to take all of the transcripts and put them on a sub stack and put them and email them to people and I'm just like, yeah.

Adam: 00:21:50

What he said.

Jim: 00:21:52

Yeah, but see, the deal is, we're all going to get access to this group of people. And importantly, they get access to us. Before, like 10 years ago, ... who's really smart, really with it, he was bounded by his geography. He couldn't make the most of his talents because his geography bound him. That's gone. That's gone. And so he's really good at a bunch of different stuff, perfect for me. *And so it's a win/win.* As far as I'm concerned, it's a win/win. Now, listen, there'll be lots of dislocations because of this. And so I think we need to think about fixing certain things, we have to be open minded because a lot of people through no fault of their own, will not do so well in this new world. Other people will kill it, because the final thing about this new world at least that I'm thinking about now is the leverage it gives you and I'm not talking about financial leverage. The leverage of the digital world is breath taking.

Mike: 00:23:01

Yeah, if you can handle the leverage, you have disaggregated all the ... to having your expertise broadcast to the world in whatever specific domain you happen to be, have skills at.

Jim: 00:23:16

Amazing.

Adam: 00:23:17

Met leverage, right? Like Metcalfe Law style leverage.

Mike: 00:23:24

How do we adjust the education platform in order to nurture probabilistic thinking and nurture the items that we've talked about for the digital world for those that are coming up through the system? Obviously, there'll be those who have a natural proclivity, there'll be those that have some luck, that trips them to that direction. How to en masse, do we do we sort of lift the average of the entire population? That's a big...

Jim: 00:23:49

Yeah.

Mike: 00:23:51

That's where my mind goes. I'm like, yes you're right. Okay. So now, what do we do as a society?

Adam: 00:23:56

You're giving Jim a chance to say, I don't know.

- Jim:** 00:24:00 Other than that...No, I don't know. I think about that a lot actually. And, listen, we have essentially a 19th century educational system in this country. And most people don't know that the educational public schools in this country were designed by industrialists to get people used to sitting in a room for eight hours doing nothing. And because that's the job they were going to go into at the factory and they needed to be trained for that.
- Mike:** 00:24:33 Linear processing. Yeah.
- Jim:** 00:24:36 Don't you dare think about thinking for yourself. And so I think that the inertia, Max Planck said "*progress happens one funeral at a time*" and I think that the inertia, just think about it from the point of view. I think Yale is an amazing school. My daughter got an amazing education there. I know lots of people up there, Swenson unfortunately just died at a very young age. But look at that guy. That guy killed it in the endowment. So lots of smart people. And I think whenever you put lots of smart people in the same place interesting things happen. But the problem is, how do you...I guess, let's reframe it. If I was running a community college, I would go, okay guys, the world is now our oyster. Because you know what? All this shit over here, we're getting rid of it, it's all bullshit.
- Adam:** 00:25:37 We're going online.
- Jim:** 00:25:39 Yep, we're going to go online, we're going to teach people how to do the types of things that they're going to be good at. We're going to give them writing classes, we're going to give them communication classes, we're going to teach them how to become digital natives, we're going to give them access to all those tools because there are a lot of tools that people don't know about. And it's like, I just learned this from Vassilis. Like Jim, there's a lot and he gave me this list of 10 things. And I'm like, okay, I'm an old, but that's very impressive. Kids don't know it. And I believe, like all complex adaptive systems, the change is going to come from the bottom up, not from the top down, it's going to come from the bottom up. And you already see it happening, right? And so it takes a special person to take on their own education, be it he or she or whatever in terms of doing it all yourself. Most people need some assistance, need some guidance and that's where these kind of like... honestly community style colleges, what do they have to lose? Nothing.
- Richard:** 00:26:55 Because of the state of where universities lie, because the signalling mechanism that higher education especially in the US provides a lot of networking and there's a lot of Bonafede's, should go into a great school, but it's become so inaccessible to a large chunk of the population. Or if they do get access to it, they're laden with so much debt that chases them for the rest of their life. Whereas the internet now provides you with access to pretty much the entire domain of knowledge of humanity. It's more of a question of frame working. So I wonder what do you think about the role of universities into the next few decades into this framework of maybe providing cheaper education but more broader for a larger chunk of population?

Universities for the Masses

- Jim:** 00:27:44 Yeah, that's a great question. My daughter and my son in law are staying here and I'm getting a chance to know my latest grandchild who is a six month old girl and a delight. But we were talking about it the other day, they both Yale grads. And I have no problem asking people radical questions. And I'm like, why does Yale charge anyone? Why isn't Yale open to the smartest people on the planet, that Yale gets to pick? And sure, let's get some kids from, let's intentionally pull kids out of disadvantaged environments. Let's intentionally find that smart kid that's in really shitty circumstances, and their endowment could pay for it all.
- Mike:** 00:28:36 They kind of do that. The challenge is, it comes before that. All of those colleges, the NESCAC largely, and the Ivy's are needs based financial assistance. So if you get in, then finance will not be what stops you from attending. The challenge is that if you get in, it's that how do we identify those smart kids, nurture them through their high school year so they don't go off on a different track?
- Adam:** 00:29:08 Yeah, but the kid from Bangalore never gets a chance to apply?
- Mike:** 00:29:12 Agreed. Nor is the kid from the inner city in New York, he or she never gets a chance either, if we were really to look at that. That person that would be able to under those circumstances maintain a GPA in order to qualify. It's a really tough set of circumstances. Go ahead Jim.
- Jim:** 00:29:33 You're right. But I would suggest to you that you're looking at this from a top down perspective. I think the solution is to put, let's stick with Yale or Notre Dame. They have the resources to put a ton of stuff online and monitor it. Who's doing really great things, and then say, oh my God look, this is coming from the Bronx. Let's look into this person. Oh, this is coming from Bangalore, let's look into this person. Because the tools are there and are very monitorable. Put that stuff out there. The worst thing that happens is a bunch of kids get educated, which is an awesome thing. But the best thing that happens is Yale makes a big deal about it. People are very drawn to ceremony and to achievement, and to recognition of achievement. Say what you want about him, Reagan, I was a kid when he got elected president. Before he got elected president, I don't think the mood of this country was any worse off. I mean, even today, Americans were bummed out. I mean, literally our world was going away. We made shitty cars, the Arabs were embargoing our gas and it seemed like we didn't control anything. And then all of a sudden, Reagan gets elected and the guy was Mr. Sunny Disposition. But he did something that was really genius in my opinion, probably wasn't his idea. He surrounded himself by smart people, which is, let's call it "lesson A" if you want to get stuff done, and intentionally make sure they're smarter than you are. And then let them be smart.
- Anyway, what he did was this whole hero, during his State of the Union, he started this thing where it first started with one then it was like two then it exponentially grew. But he picked people intentionally, nobody, that anybody knew. A cop who

saved a six year old girl from drowning, an army guy who jumped on a grenade and saved all of his buddies and didn't die. These were like, my mother was like weeping when he's acknowledging these people. And his other genius and this is also kind of one of the texts or verses in my favorite ... What Reagan did was, there's a great quote that I just had up, Eleanor Roosevelt had it, and it was *"A great leader makes people believe in him"*. *"The greatest leaders make people believe in themselves."* And that's what Reagan did with these people. Because what he did was he always said, and I'm not a Republican or a Democrat, I'm a registered Independent and I have voted for and given money to both parties. But his magic was that. The guy, when he died, I was in California and we were listening to the commentary on NPR, we were going for a long drive to a friend's house. And one of the things that they noted was that Reagan never took credit for anything. When he was making speeches, Reagan always said, the American people created 150 million new jobs. The American people did this, the American people did that. And literally, you watch this country turn on a dime. Wall Street, '82 I was on my honeymoon, I was 22 years old and I'm in Europe and I'm reading about the runaway bull market. Well, back in those days, it was up 22 points, oh my God, for the Dow. But the thing is, a lot of this stuff is perception.

So, getting back to Yale, getting back to Notre Dame, getting back to the Harvard's of the world, put that stuff out there, their imperator means a ton. If you've got MIT or Yale or any of those, Notre Dame, any of those hallmarks of these great universities, people are going to just naturally be swayed by that, make it free, give the tools to everyone, access to everybody, highlight it to those kids in those neighbourhoods, send out emissaries, make sure those kids are using it, and then pick from them. And when you pick from them, make a big deal about it. Bring them to Yale, bring them to Harvard, bring them to MIT, let them bask, get the media, get Twitter going on them, get everything going on them, and that stuff will work I think.

- Adam:** 00:34:46 I love that. But what's the economic model for that? How does Yale commercialize that in order to fund the institution of Yale. So you're funding profs and you're funding all the building maintenance and all of the costs of the organization. I love the model and it's one of these weird situations where every everyone wins, but no individuals win. You know what I mean? At least not in the short term. So how do you cross that chasm?
- Jim:** 00:35:26 Well, I would cross it in a couple of ways. As I mentioned earlier, Yale's endowment is sufficient to allow every kid at Yale to go there, full boat, no debt, for free. They could do that right now. You create a *"virtuous flywheel"*. If you're the first among the first of those name brand institutions with massive endowments, Yale, Harvard, Notre Dame's even got a like I think a \$14 billion endowment. But get there early and guess what? All of your alumni are going to make massive donations, they're going to want to be associated with you and with that program. Stanford another great, get all the Silicon Valley guys who got a degree from Stanford, I tell you what, they'd be fighting over funding that.

Adam: 00:36:28 Got a Diploma in computer science from Stanford, you're right absolutely.

Richard: 00:36:32 Talking about impact investing, talk about a real impact in a broader...I mean, education would definitely need to go online in order to provide this to a much broader audience of people, especially given the physical limitations of amphitheatres and auditoriums. But I wonder if not only the access, but also the curriculum itself. Back to the point about having knowledge accessible to everyone. Isn't there an argument now that we should be teaching people how to think, and kind of mental models and things like that as opposed to teaching them geography, history. Obviously, all those things are important and everyone should be reading as it is, but I think teaching people how to think and mental models, which was a concept that I didn't really know when I was going to college and I learned later on in my career, which I thought was such a...and back to the point about learning how to think exponentially probabilistically as opposed to linearly and deterministically. I wonder how far universities really are to revolution in that direction.

Jim: 00:37:35 That's a great observation. Vermont Royster was an old school editor of The Wall Street Journal, and he wrote a piece when I was a kid, and he was old when I was a kid. He's since died. But he was a very thoughtful writer and he was talking about the curriculum of his public grade school, where he went in Vermont, Vermont Royster. But you wouldn't believe it, Latin, Greek, logic, all of these things that taught you how to think. And then we dumbed it down significantly for a variety of reasons. Some reasons I think are reasonably good and other reasons were not good. But I'm with you on the teaching kids how to think. I also think that just basics, basic geography, I think it's kind of embarrassing. When you know they do these tests and your average American can't point at where Great Britain is on a map. That's embarrassing.

I had a guy in Switzerland, he was a driver and was driving us around. And he was really excited because he was leaving, it was his last job and he was retiring. And I was lamenting the fact that I didn't speak another language. And remarking on the fact that he had spoken four separate language in just the 15 minute car ride, and he goes, but that's the very point. He said, you can get on a plane in America, travel for seven hours to the other coast and still be speaking English. He goes, we can't go 20 minutes in the car without speaking another language. And he goes, so it's just the practicality. And I had brought up this issue of Americans not knowing geography, and he's like, well you're America. He's like, Yes, you're right. Yes, theoretically, you're right. They should know that. But I guess some of those basics, that stuff should be in grade school honestly. That shouldn't be in high school or college. If you're in college and you can't point out where Washington DC is, we have failed you as a student.

Adam: 00:40:14 It's more about sort of cosmopolitanism. It's more about having a general awareness of all the different potential and opportunities and you learn about places not because they exist but because interesting things happen there that we can derive lessons from, or that may provide a direction of interest for you to explore. Maybe

you get a passion about something and something central about that passion exists in Washington, or exists in Paris, so now your mind is open to something that new that you can go and explore there. They're relevant not because they exist in a different place but because of what makes them special and unique. The ideas and some of the elements of history and people, but it's not the dates. It's not the names of the people so much as it's the ideas that they espoused and propagated and the lines of reason and exploration and technology and philosophy, etc, that they emerged from that, that's why they matter.

I think, what's so unfortunate about the classic way of teaching philosophy or political science or history, or what have you, is it's, they frame it as dates and places and names instead of ideas and conflict and lessons and frameworks. There's an emergence of lessons from all of the mistakes that these people made, and now you're able to piece that together into a framework that allows you at each increment of learning to know more about yourself in the world and how you can best interact with it. I think if we do a better job of that type of education, I think we'll be way better off. And what strikes me is that the vision of the online learning university or like the distributed knowledge concept, I love it. What may be missing there is the interaction. How do you scale the interaction of a small classroom of pre-masters or pre-PhD students who are really digging into a concept and iterating on that in real time? I don't know how you scale that dimension of the learning process.

Jim: 00:42:40

What I would say as you were going on there, was it sounded like a start-up pitch to me, which is a good thing. In other words, you just were pitching something that doesn't exist right now. And it seems to me, given the quality of our country, that there should be 12 different founders working on that very thing that you just described. Because I think you're right, I think there's obviously a gap and a need there, that is not being addressed. It seems like a pretty cool start-up idea to me. And so I think that's where you're going to find a lot of this new thinking from, because people get set in their ways. They get in thinking ruts, they become dogmatic and I view dogmatism is the same as brain death. If you're not thinking about something, you're not giving it any attention and therefore you turn it into a confirmation bias machine. And actually, when you look at how our brains work, you can prove that that is true.

We have a thing called the reticular activating system, and what it does is it dampens things that are either repetitive or things you don't want to see. That's the part that they never really tell you about. So the reticular activating system dampens all of the information. If you've decided you are right on whatever, I am right and I am certain XYZ, you're not going to look for any information that challenges XYZ. Your reticular activating system is going to dampen any of that information, so that you are literally blind to it. This isn't intentional, none of this is intentional. And your brain will kick that over what they call the “*prover*”. I wrote a thread on Twitter about this. When you kick it over to the prover, the prover uses the reticular activating system and highlights everything that proves your priors.

Back to the Max Planck comment about progress happening one funeral at a time. When you look at not just science, and obviously if we're looking at science we're looking at or should be looking at the most disciplined methodology for testing hypotheses. And even in science, they had all of these prejudices, they had all of these things that are very obvious. When Copernicus came out with his heliocentric version of the universe, it took two centuries until the majority of scientists believe what he said. Art, the Impressionists, you know who named the Impressionists? The Academy of Art in Paris that hated them and gave them that name as an insult. It was, you know, *this just sort of an impression, like maybe a child*. And then, everyone said they were horrible. Vincent van Gogh. He's a finger painter.

- Adam:** 00:46:15 Oh, my God. So all I got was how do I incentivize you to use that French accent again?
- Mike:** 00:46:21 That was brilliant. I don't know where you got, that is genius.
- Jim:** 00:46:30 I travel greatly. I can slip into it you know. But the fact is, it's true. All of that stuff, the Impressionists were named impressionists to drive them.
- Adam:** 00:46:48 It's derogatory.
- Jim:** 00:46:49 It's derogatory. I can't expect our advanced educational systems and all of the administrators and all of the middle weight deadwood to be...you can't convince a man or woman of something where their pay check... counsellors that I'm not understanding ... Mr. Upton Sinclair. And so, the way around this in my opinion is again, a complex adaptive system, change happens from here, entrepreneurs should be all over this shit. They should be like, that's a really good idea. Anyone who just listened to you, an entrepreneur out there was like, that's a really good idea. And then come up with ways to get Yale involved, come up with ways to get Notre Dame involved. MIT involved, all of those things. And what you'll see is it a gradual evolution. But the other problem is, most people confuse learning with completing a set of courses and getting some certificate.
- Adam:** 00:47:59 Yeah. With “*credentializing*.”
- Jim:** 00:48:00 *Credentializing*, and that isn't what learning is. Learning should be a lifelong endeavor. So I think the better question at least for our current age, or the one we're going into is, how can we make the biggest majority of people curious and use the tools available to them? And I don't have the answer to that. I wish I did.
- Adam:** 00:48:29 But you're optimistic that that entrepreneurs or that people will be sufficiently...some people will be sufficiently motivated and have the talent and passion to see that through? And what strikes me as I hear you or read your tweets on Twitter and I listened to your *Infinite Loops*. I've had occasion to read your books. But this mosaic appears, and one central characteristic that always jumps out at me about you, is this sense of optimism. And I'm wondering, because I've

struggled to find that kernel of optimism over the last, really since 2008, I've become really pessimistic. But you've seemed to maintain this sense of optimism, what where does that come from?

The Beginnings of Infinity

Jim: 00:49:21

I just re-read the book, *"The Beginnings of Infinity"*, searching for better explanations, and it's by David Deutsch, who is a quantum physics professor at Oxford. And I read it when it first came out in I think '11 or '12. So 10 years ago. And then I decided I was going to re-read it because I remembered at the time, he had made a killer argument for why we need optimism to triumph over pessimism, and that it is vital to our advancement as a civilization that that be the case. And I was really taken with his book, I highly recommend it. It's not like super easy read. But here's another thing, just read the chapter on *optimism versus pessimism*, and you will have gotten 95% of the benefit of that book, because he demolishes the idea about pessimists, because pessimists always are basing things, thinking that they know what's going to be discovered 10 years from now. And he gives this wonderful example. He says, *"were scientists in 1900 arguing the merits of the internet and nuclear power. And he goes, No, they weren't thinking of it at all, because it hadn't been invented"*. And so pessimists rely on there being no new ideas.

Listen, just in our short life periods, America when I was born in 1960 to America today, unbelievable advancement, unbelievable change. Yes, there are all sorts of problems still, but the progress and then look at the world, look at the people who are emerging from poverty. Billions and billions of people in just the last 20 years emerged from poverty. Look at the new vaccine with it, the MRNA. People don't understand that that was impossible without computer intelligence. Hey, we didn't know how to fold protein. So let's say COVID happened in 1970. We're fucked, because we can't fold protein, we would have to do an old style vaccine that included some of the virus, right? Like the one for polio and all that. And then we would have to test it on a human population set, like they did with polio and guess what? They had changed that polio vaccine quite a bit. Well, with the new thing, A it doesn't include any of the virus so it can be repurposed because it's the very stuff of DNA/RNA. Because we have the basic genetic code of humans mapped. People don't understand that you think that, well, it's only been in the body for a year. They've done 100 year runs on different billions and billions of fake but imaginary agents, but with all the characteristics of we real humans.

Richard: 00:52:52

They back tested the virus on humanity.

Jim: 00:52:56

Yes, they did.

Richard: 00:52:58

It sounds like you're just selling your optimism, that you're just basically selling a put on humanity, instead of buying the call yourself. You're taking the pessimism,

you're just selling that put, where you don't even know what you don't know, is this right?

Buying a Call on Humanity

- Jim:** 00:53:11 No, I'm buying a call. Are you crazy? It's like, I am wildly optimistic on, as long as our country remains ruled by the rule of law, as long as we have freedom of speech. And listen, there are agents today actively trying to make that not so. And I'm not a very political person, but what I am is fiercely anti-authoritarian, of whatever school you happen to belong to. The extreme left or the extreme right. They both want the same thing. And they want you to shut up. And as long as they can't make you or me shut up, as long as they can't make investors go out and take risks. God bless. I'll be long this all day long. I'm not only call options, I'm going to own the equity.
- Mike:** 00:54:08 He's so long, convexity, the whole nine yards. I hear you.
- Adam:** 00:54:16 That's an Oklahoma long, he's long the sock and long the call.
- Jim:** 00:54:22 I love that joke. I haven't heard that one in a long time. I had a friend who was like a master trader and he ended up as one of the real senior people at one of the old I-banks. And so I was asking him, did anyone ever really screw you into trade? And he goes, yeah, he goes, there was this guy. He always traded from, and he would always start with "I'm just a country boy, and I'm sure you just goin' take me to the cleaners". Alert, alert. He goes like, when you have Honest John stop by, count your spoons after he's gone.
- Adam:** 00:55:12 So to what extent do you think though that your optimism is either, you're just genetically programmed to be optimistic. So when faced with negative information you are just programmed to filter through an optimistic prism and or your life trajectory reinforced your natural predisposition towards optimism and the interaction between the genetic predisposition and your life experience now allows you, in fact it only allows you to view the experience that you have and the information you see through this optimistic prism. Do you think that it's something that, yes I think you're going to be an optimist and go read a few books and learn how beneficial it is to be optimistic versus pessimistic and turn it into an optimist or, I'd love to hear your thoughts on that.
- Jim:** 00:56:13 Yeah, sure. I think that obviously, is there a genetic component to it. There's a genetic component to everything. But how much of one, there's still a lot of debate about that. How much of it was the environment you happen to be in, turned on that gene? How much of it was the environment you would happen to...it's like books. If you grew up in a house, if you're have a genetic predisposition to read but you wake up or you grew up in a house without a lot of books, your gene doesn't get turned on like somebody who grew up around a lot of books.

So, I will stipulate you are correct there. Where I will not go along with you is to say that I'm in any ways like Panglossian about everything that's happening. Look, I had many failures, many, and high profile failures. We did an online company in 1999 called *Netfolio*, and everybody was writing about it, and we got it wrong. And then the internet bubble collapsed. And, talk about compounding a problem. I had written a piece earlier that year called *The Internet Contrarian*, and it was talking about how overvalued everything was, then what did I do? I started an internet company. So that was a massive failure.

So I think that you have to be open to the fact that you're going to fail, not only is failure a possibility, it's a certainty. You will fail at something if you're going to succeed in life. Listen, I've never met a super successful person who didn't have a lot of speed bumps. Let's be kind. I'd call them speed bumps. Now, to get back to your nature versus nurture. I don't know, maybe it is my nature genetics that made me view failure as opportunities to learn, as opposed to, as embarrassments that I'm going to be ashamed of for the rest of my life. So is there a natural predilection toward pessimism and a natural predilection to optimism? Yeah, probably. But can you through study, adopt the better argument?

I think if let's just say it was 50/50. So 50% of my genes came from my dad or my mom who was an optimist and the other 50% came from my dad was a pessimist. So I'm 50/50. And I read this book that I just mentioned to you, *The Beginning of Infinity*, and I pay close attention to that thing about optimism versus pessimism. And I'm like, well, the underlying points and facts here are such that it seems that the greatest progress for humanity and civilization is made when the most widely adopted attitude is one to “*failablelism*” which is essentially... listen, everything's a hypothesis, a thesis. We got the best ones we have right now, and guess what? They've led to some pretty cool things. It doesn't mean that they are 100% correct. In fact, we can be fairly certain they're not. And we are therefore open to error correction as we go forward and so a great way of looking at this is, instead of making it sound all highfalutin, let me ask you a simple question. Would you rather live on an Earth where everybody said, when there was a meteor coming straight for Earth and was going to obliterate life on the planet for everybody in a week, would you rather be with the guys saying “*it's God's will*”, or would you rather be with the guys who said, “*thank God we studied this for the last 25 years, thank God we have these nukes that is going to nuke this thing right out of the sky, and save the world*”?

Adam: 01:00:52

Dude, I recall during Armageddon.

Jim: 01:00:57

Okay. But see, that puts it in stark relief, doesn't it? Because I don't want to be with the guys who are saying, Oh, it's the will of the gods so we all die. I'm sorry. That's when they couldn't figure anything out. Well, that was God's will. That was God's will. God did that. God did that. That's a bad explanation. And I'm not saying anything about people who are religious or not religious. I'm just saying that when the Enlightenment came along and we learned that we needed all these tools, and

that we were going to choose truth, as we saw it scientifically, proven to the best of its ability. Well, wonder of wonders here we are, walking around with supercomputers in our shorts. **So I'm on that team.**

- Adam:** 01:01:53 Yeah. And what this conversation is highlighted actually is that there are I think multiple dimensions of optimism and pessimism. So much of what you've described is sort of optimism about the human capacity for problem solving and innovation, which 100% I would agree with. There's another dimension of the human propensity to drive towards good or evil or the humanitarian, a lot of this sort of risks that Yuval Harari has identified as like, how does democracy evolve during a period when machines are telling us what to think? And when the algorithms that are getting better and better and we're interfacing with machines more frequently. So we're supposed to express our views as members of democracy, but when the machines are programming our views and commercial interests are able to influence, those are the types of things that I think are... and then the incentives and political alignments and all these types of things end up being... there's a techno optimism which I think, I would find easier to get behind. And then there's sort of more of a humanitarian optimism that I think may be a bit more complicated, but the crowd is complaining about our philosophizing. So apparently we're...
- Richard:** 01:03:21 Yeah, we gotta move on guys.
- Jim:** 01:03:24 Are we getting real time feedback?
- Adam:** 01:03:27 Yeah, that's right. Exactly.
- Jim:** 01:03:30 Okay. So the crowd has spoken. Are you not entertained?
- Adam:** 01:03:33 Yes, exactly.
- Richard:** 01:03:35 I was going to say, after we've reached the hour mark, I think we would be remiss to not even mentioned the supposed title of today's conversation, which was the evolution of the of investment manual. So let's just maybe touch upon that briefly...
- Mike:** 01:03:48 Wait a second, is this our show or their show? I'm kidding...
- Jim:** 01:03:56 I like it.
- Richard:** 01:03:58 I do want to ask, what does he think about what actually works on Wall Street today kind of thing?

Wall Street Today

- Jim:** 01:04:09 Listen, I think that we are in an incredibly just explosive period for both individual investors and for institutional investors. I think that we are beginning to understand a class of tools that has been available to us mostly in hype, but now in reality, and

that we are able to begin seeing practical uses for a lot of these apps. So machine learning, AI. I was very sceptical about that for a long time because it was just like, okay, show me what it can really do. And basically it was a really fancy decision tree. And not that I have any objection to a decision tree that can go through a billion different decisions in an hour, that's great. But they had not really refined it to the point where I think it is refined to now. We have some machine learning folks on staff. And it's getting refined. Like anything, you got to ask the right questions. The problem that I have with decision, and this comes back to the philosophy that the audience so much hates, the problem is, they should pay attention to what we're talking about because linear thinkers have a problem with AI. Because AI can tell us what and when and it can't tell us why. I'm quite comfortable with that because that's the way I think. Most people are not, if the narrative is not attached to that. And of course, they will attach narratives to everything, there'll be bullshit, but people will believe that.

But really deep thinkers are going to be like, the machine learning is really giving a re-visit. And if you're going to give them an honest answer, you have to say, no, it's not. So I think that there's that tool set, I think the fractionalization of things is good both for individual investors and for all investors really. And then, obviously,

I'm going to talk my book here, and I think customization is the future. I believe so passionately in it that I'm willing to say that if you are an advisor and your client group is rich people, if you don't have the ability to customize their portfolios five years from now, you're not going to be in business for much longer. Because we took a small group, advice from some very smart venture capitalists, we didn't take any of their money but we took a lot of their advice, and they said, you know what? Take nine customers to begin with and then make it perfect for them.

And I got to say, that was like the best advice I think we ever got because we would have gotten it wrong. What we figured out by making it perfect for this group of nine advisors, or things that we thought were like low on the totem pole, were number one. So tax optimization, it is not a trivial matter to be able to at scale, tax optimize everybody's portfolio, we can do that at Canvas. That is the third way, if you were just taking a poll of like all of the users of Canvas, the end user, the wealthy person, that's the one that they love. Because you can generate anywhere between 75 and 125 basis points of what we call tax alpha, simply through the management, doesn't matter what the market's doing.

And then the other one that we would have sneered a little at just to be honest, because we'd only seen it as all story, all hat no cattle, the Texans would say, was ESG investing. And we read all these things about it, but we weren't seeing the money. It's like, where's the money? And the money is the revealed preference. The articles are the stated preference. And the two are very often very different. But now, we're actually seeing that come in, and so our version of ESG, is, we're not

going to lecture you about what your values should be. We have the tools so that we can make the portfolio reflect any of your values. So let's say you're wacky and you think that drugs should be legal. You want to own more pharmaceuticals, you want to own some of the pot companies. Okay, we can do that for you. And then if you're one of the more traditional, like climate change, the challenge there is when you look at the mutual funds and the packaged products, the names that they have in there are not good names around climate change. We have, because it's all customizable to you. We have the ability to just cherry pick, and we can get so far down by what kind of carbon footprint do they have, we can tell you what it is.

Another one, women. So I've got a bunch of daughters, I've got a bunch of sisters, I like women an awful lot. And they've taught me a tremendous amount. So I think this is great and I'm probably even going to have a portion of my portfolio dedicated to this which is, let's over-invest in companies where 20% of the either C suite executives or board members are women. And here's another advantage that we have that other people don't have. A, when we were asked that, that list didn't exist. Now, here's something machine learning is very good at. So we got our guy on the phone from for machine learning and we're like, there is no list showing 20% or greater female C suites or board membership. And he goes, why do you want it? And we're kind of like thinking, well, if you can get it to is that by the end of the month, this is the beginning of the month. He goes, you'll have it this afternoon. So we have the only list that I'm aware of, there could be other ones now. But we have the only list of all the companies that have 20% or greater women running the show.

The point is, we have, I don't know 52 separate things that we can break down ESG portfolios for you on, that other people just don't have. And then frankly, let's say you work for Google. You can go to any investment advisor who says, yeah, you got all that Google stock, I think we better double up on that, and lever long into technology. If he's a good advisor, or she's a good advisor, she's probably going to say, we might want to immunize that Google holding. Easy. So my point is, after you've had this experience, and we've actually gotten this feedback with our clients which are registered advisors. Their clients are rich people and the feedback that they're getting is, I will never ever buy a packaged product again. Why would you? Because we have one guy, I don't know whether you guys know Howard Lindzen? He's funny. And so when we announced this, we did what we call *the S&P Howey*. And Howard only took out five stocks from the S&P and he only took them out because he hated their guts.

- Adam:** 01:12:34 Just like idiosyncratically. Did we lose them?
- Richard:** 01:12:38 I think we lost him. It was a great pose though.
- Adam:** 01:12:41 That laugh is amazing. Oh, my God.
- Mike:** 01:12:47 I wonder if he kicked the cord on his computer.

- Adam:** 01:12:50 It could be, yeah. I was dying to know because he said that they would have gotten it wrong if they had to guess what the priorities of the advisors would be or...
- Richard:** 01:13:02 What were the priorities?
- Adam:** 01:13:04 And I'd love to know did they think that they would be from those advisors? Yeah, absolutely. Because I would have sort of assumed the tax optimization would have been absolutely near the top. But that sounds like they had not anticipated that.
- Mike:** 01:13:24 I think the point on ESG is one of the main points of struggle I always had until talking with Dave Madigan, or what's his name, Tim, a Canadian guy, but it was really about the customization. So I was like, who's E, who's S, who's G are we speaking about, and Notre Dame who mentioned a few times on today's Riff is one where you can get a clear identity on your ESG due to the Catholic nature of the institution. So there's some religious connotations there. And then they have some other pretty well thought out anyway, well thought out from their perspective of values with respect to ESG. And that makes an immense amount of sense. And then rather than customize, rather than buying a packaged product, where you're buying an approximation of your values via somebody else's rules, being able to sit down and say, well, actually, here are my values, here's where I'm willing to, or here is why I'm insisting upon making changes is...
- Adam:** 01:14:35 I think it's such a misnomer, right? I mean, this ESG ends up being, it's like Ben Hunt. ESG. it's a meme. It's not even a thing, like what it is, its value expression. And so we're allowing is, I have all these values. Howard Lindzen loathes five stocks, who knows why? But that's his. Whatever his value framework is drives towards really hating on these five companies.
- So you can express this particular idiosyncratic value through this customization and you can obviously express all sorts of moral or ethical or other types of values and or economic values with having a particular exposure to an industry or a company. I had a long conversation with a very wealthy client of ours just earlier this week who had just bought, spent a lot of money on a new home, and questioning about cap weighted portfolios or diversified portfolios and what is the natural exposure to real estate, and how to proxy that and how to hedge it, or how to manage around it in a portfolio. So, these are the real problems, not problems but challenges or idiosyncratic items that investors want to navigate around in.
- Richard:** 01:15:54 Real estate is always tricky because if you're talking about your primary residence or even a secondary home that you use quite a bit, you derive such utility from that, your primary residence no question about it. But that it's hard to think of it as exclusively an investment, although of course, you need to consider it within the context of shouldering the burden of mortgages and taxes and all that. But I always find this conversation with my wife, and just with friends in general, the real estate conversation. Unless you're talking about real estate properties which you can think of as fixed income-esque, component of your portfolio that has some inflationary

protection aspects to it. It is always very tricky to think of your primary residence exclusively in the investment domain because it's your home. It's where you raise your kids, it's where you spend.

- Adam:** 01:16:45 And if you don't live there, where do you live, right? If you're not going to move, then you're just going from one home at a certain price to another home at the same price. So it's not an investment if you can't liquidate it at the end. And I guess you've got this home equity extraction innovation which is helpful for sure.
- Mike:** 01:17:07 The other point is nobody waxes a rented car. There's a certain amount of ownership pride that comes with your home ownership which is to your point Richard now. I want to move a wall. Well you can't. See, it's not your house, you're renting. But there's both sides of that. Certainly Toronto has had a pretty spectacular run, and places like Australia where the housing market has had a return vector that's outstanding, plus the ability to lever that. And then I think people don't factor in all the costs. I know that when I've owned property and I look at the amount of money that goes into improving the property, the interest rate costs, the taxation, the upkeep. People say I bought it at 100 grand and I sold it at a million and I made 10 times my money over 30 years. Well, no, we gotta go back and add up the expenses. How many additions were put on? How is the property maintained? How many times did you redo the bathrooms and the kitchens along the way? And so it's usually a much more reasonable rate of return when you factor all of that in. But, sometimes the certain areas have great runs and...
- Adam:** 01:18:26 Bob Shiller has gone back to the late 1800s and examined the return on homeownership, and concluded that essentially after all of those ancillary costs that basically keeps up with inflation and it lags investments in global equity markets, but as you say, different generations get lucky...
- Mike:** 01:18:47 Try to tell that to somebody in Toronto over the last ten years. ... the last all of the years.
- Adam:** 01:18:58 You tell that to the kids today they won't believe it.
- Richard:** 01:19:03 I had so many other questions that I wanted to ask.
- Mike:** 01:19:06 Yeah, I'm not sure it did..
- Adam:** 01:19:09 This conversation could have gone on three-four hours. Jim he's just such an interesting guy and such energy and passion. We'll have to get him on again.
- Mike:** 01:19:17 Yeah.
- Richard:** 01:19:18 Yeah. We did a good job stalling, not stalling, talking and waiting for his return over the last several minutes. But I'm wondering if there's any chance he's going to come back. Maybe his wife just yanked the cord out...

- Adam:** 01:19:31 You said you'd be done by five Jim, I timeed dinner. Who knows? Well, let's wrap it.
- Mike:** 01:19:41 This is Riffs. Someone got to call it the happy hour...
- Richard:** 01:19:43 That's right. He had to leave the bar no questions asked. He said he got to go get cigarettes and he left. That's it.
- Adam:** 01:19:50 That was like a saber exit though. Like virus exit.
- Future Riffs
- Mike:** 01:19:56 Yeah, it was. Pull the sheet and see you later. Before we wrap up and for the three other people on it listening still, and besides the three other guys on the call. I think I just want to make sure you know where to find our properties obviously, like and follow and subscribe for the YouTube channel. You can find Adam Butler @GestaltU on Twitter and then Richard you're @Rlatterman. And then Richard, who's our next guest because I think you've...
- Richard:** 01:20:33 It's Juliette Declercq. And she's a macro strategist, really interesting thinker and I listened to her recently, she is of the opinion that equities are by no means stretched. And this equity market has legs and...yeah, so I'm very curious to get an update on her thinking and just to dig a little bit deeper into her general framework, not just for our own edification, but really I think for some even investment purposes that we might gather, some of the more important signals and indices and things that she looks at on a regular basis that might inform her investment opinion.
- Mike:** 01:21:25 I think it's a great challenge to so sort of the Cathie Wood and ARK, and Eric and Raoul Pal, and some of his thoughts lately are that this has a lot further to go, which challenges a lot of the accepted dogma in the current circumstances with respect to equity valuations and whatnot. So it's something to pay attention to if you're in the group that, oh, I'm not sure what's going to happen to some people or I'm passive, I'm just going to own the premiums. And that's that fine. If you're a bit more active or you're you have cash on the side lines and you're waiting for some large correction. Well, it's good to hear the other side of the counterpoint in order to get that particular activating system subdued. It will make better logical decisions, I guess.
- Richard:** 1:22:20 Yeah, the funny thing is that, because of how investing in finance and the basic principles that underpin our financial system have worked in a certain way for the last several decades. One of the phrases that people like to throw around to say that, for the most dangerous words in investing is, this time is different except for when it actually is different, except for when you actually are going through an inflection point. I'm not saying that we are, but in the event that we are, and this goes back to a conversation with Jim about exponential versus linear thinking. And within a probabilistic framework, there is a possibility/probability that we continue into this

technological quantum leap forward that provides things that we can't even imagine right now or can kind of get a glimpse of, but can't really grasp that yet, and provides with this massive tailwind for however many years.

- Mike:** 01:23:21 I would offer that it's always different. I mean, technology is non mean reverting, technology itself. Prices of the things that might provide technology can mean revert. But we are not going back to the printing press where we're typesetting. There's a constant grind forward in technology and that's pervasive across many industries where the fracking and oil and all kinds of things. So it's not just the technology, when we think of technology as bits and bytes and computers, it's technology across a grand landscape of various services and products that we manufacture and use. So yeah, that sounds, I look forward to next week. I guess this is it. Make sure that if you're out there and you're listening on YouTube make sure you subscribe, write some comments, the same thing. If you're listening to this after, you can find us on all the podcast venues, iTunes, Google, all of them. And so enjoy wherever you're picking up your podcasts as well, and we'll leave you to your weekend.
- Richard:** 01:24:31 Wait, Mike, wait.
- Richard:** 01:24:33 No, he's not going to be on. I just want to give it that...
- Mike:** 01:24:39 Where have you been? Get over here.
- Mike:** 01:24:40 Thanks for joining us today folks, and we look forward to seeing you next week.
- Richard:** 01:24:46 Yeah, have a great weekend guys.
- Mike:** 01:24:47 Cue the music.