Adam:	**00:01:48**	Evening.
Mike:	**00:01:48**	All right.
Meb:	**00:01:48**	Beautiful video. Rational MF, Rational Motherfracker? What that stands for?
Adam:	**00:01:54**	I was just thinking the same thing. It's the first time I put the two together. I bet a lot of people are going to be happy …
Mike:	**00:02:04**	Meb, the dude. The dude abides.
Meb:	**00:02:07**	I was trying now that you guys mentioned the Lebowski I was watching some YouTube clips and I was trying to -- I'm out of home, out of office. I'm homeless right now. So, I don't really have access to my clothes but I was going to try to find some sort of dude outfit. And this is the closest I could come a little like-- I don't have Corey. Corey wears this like on the daily, this sort of like weird sweater, robe sort of mismatch. Maybe not in the Caymans, but in LA, spotted in the wild, wearing it quite a lot.
Mike:	**00:02:42**	No, that's too good.

Backgrounder

Rodrigo:	**00:02:43**	So, where are you at? So, you're homeless right now, but where are you located?
Meb:	**00:02:48**	I'm homeless. I'm open to some travel destinations in the next few weeks. I tried to time my home renovation for the worst possible time of say the last 20 years, between supply chain and rising costs and everything else. And it was supposed to be done about a month ago. So, we're on pace for my expectation. So, hopefully soon. I'm still in LA.
Rodrigo:	**00:03:15**	Are you renovating next to Wes in Puerto Rico or?
Meb:	**00:03:21**	You know, we're still LA bound. We're still LA bound. I love Puerto Rico. I'm not quite sure we're going to transplant, but I thought it's gorgeous. We had a great time.
Rodrigo:	**00:03:38**	Indeed.
Meb:	**00:03:39**	And the best part is I got to muck up the bedroom before Philbrick came to visit a week later. They're like, I'm like, don't even change the sheets. Like that guy, just slept on top of the sheets, we're all good.
Mike:	**00:03:52**	Yeah. No, I insisted. I actually had them pull the sheets and then put them back on.

Meb:	**00:03:57**	But we were there and Wes is like the day we showed up there was like a big BBC article that like -- it was like -- or Time article, I can't remember but it said: *Is the best restaurant in America in Puerto Rico*? There's like a little farmhouse outside of Palmas Del Mar and we went and had actually a pretty awesome meal. But I had a blast. If I was childless probably I'd definitely consider it on the West Coast, like Rincon, you know, some of the surf breaks, but definitely loved the visit.
Mike:	**00:04:30**	Well, you have to get your tickets ramped up for your visit to Cayman, bro.
Meb:	**00:04:35**	So, how do you guys come up with events? When's the next event?
Mike:	**00:04:40**	Definitely have to schedule an event. Rod's on that like a fat kid on a smartie?
Meb:	**00:04:44**	I mean, it doesn't have to be like a fancy thing**.** You can just call it like a happy hour and I'll come down.
Rodrigo:	**00:04:51**	You know, there's a big RealVision meet-up in November of this year that I'm sure we can get you an invite had to. Do a little speaking engagement …
Meb:	**00:05:01**	Last time I was there it was during the Zika tour. That was at like …
Mike:	**00:05:05**	That's right. I remember that. Wasn't your son just about to be born like -- didn't you come with a pregnant wife?
Meb:	**00:05:14**	No, she wouldn't go and I went to like -- I was in like Mexico City. I was in like four places on my Zika tour. And she's like, you come back, you're sleeping in the other room for about two months.
Rodrigo:	**00:05:26**	So, you did an OG quarantine. That was way before quarantine was cool. Good for you and for her.
Meb:	**00:05:32**	You know, ahead of my time.
Mike:	**00:05:36**	Yeah. Well, before we start jumping into the investment stuff, just to make sure everybody knows that you shouldn't take investment advice from a YouTube show at four o'clock in the afternoon on Friday, because we don't know anything about you. And anything we talk about, all performance is not guaranteed of anything. So, there you go, now we can have a chat. Just wanted to get that on the record.
Meb:	**00:05:56**	Speak for yourself. You can take advice from me, listeners.
Mike:	**00:06:00**	That's so true. It's so unfair. They can.

The Big Announcement

Adam:	**00:06:05**	So, you had a big announcement today. What was it? You're giving something pretty important away.
Mike:	**00:06:09**	Give us the air drop. What's the coin we're getting? Meb coin?
Meb:	**00:06:14**	It's a big announcement for me. Maybe not as big an announcement for anybody else. You know, we struggle with a lot of things in our investing world, one of which has historically been just information, right, and dealing with this just deluge of content all the time and separating what's good from what's bad, noise from signal. And so part of the problem I said is I'd want someone to curate this. And the problem with that was that no one was doing it. So, we said hey, maybe we'll start doing it. And there's a giant leaf blower outside, so you guys tell me if you pick that up, it's too loud I'll … What's that?
Adam:	**00:06:57**	I fucking hate those things. I swear to God, they're no more effective than any other -- than some sort of …
Meb:	**00:07:04**	Seems like a big opportunity for electric based leaf blowers, I don't know. Anyway, so you guys just wave at me and tell me if it gets obnoxious, I'll move rooms to the bathroom.
Rodrigo:	**00:07:14**	No, we can't hear a thing.
Meb:	**00:07:15**	I've always wanted to do a live stream from the toilet, from the loo. So, you guys give me that excuse. Anyway. So, we did this 10 years ago, where we started this service, I said, look, I'm going to curate what comes across my desk. So, the best available public research, but also the best available private research. So, if I reach out to my friends that run newsletters or boutiques, and say, hey, or investment banks, all these various avenues for research and say we'll share the two or three best each week. It's called the Idea Farm, you can go to the ideafarm.com. We charge 500 bucks a year for it. And we did some other bells and whistles. We had some Excel based models, we do quarterly valuation updates on and on. And been doing that for almost a decade. This summer would have been 10 years. And it's been awesome. But you know, as our business grows, my day job like you guys, managing money, the underpinnings, which has always been very mission driven and sort of a hill I'll die on about investing access and research. Granted, this is more pro focus. But I said you know what, we want to try to make this free. So, we're opening it up starting this Sunday. So, it's now universally free to anyone. You can sign up, pass it along. The way we're doing it now is every Sunday, you'll get one email, so you can read it with your Barron's, having coffee, watching football or sports

		or whatever it may be. It's going to have the top couple research pieces, the top couple podcasts, we'll do private -- I mean, we always ask permission. So, if it's Goldman, or some private newsletter, we say hey, can we share this? Usually they say sure because it's going to a very curated list. And the best part in my mind is that all the archives are now free. So, you have 10 years of -- I got to count it, but it's somewhere between 500 and 1,000 research pieces. And you guys have been in there, you guys have been featured so we'll go Google, we'll search the website, see how many pieces y'all have in there. But …
Adam:	**00:09:27**	There's a lot of data too. You share a lot of databases, Excel sheets and stuff that have been really useful for you know, …
Meb:	**00:09:34**	So, we've hired full time people now to run this kind of show and improve it so listeners if you've been subscribers let us know what you're interested in. We have some ideas for it, but we're just excited to get it out there. You know, the personal emotional feeling of it being kind of gated or quarantined you know, is always -- it's been tough for me. But hey, it's helped us survive and build our business. So, thanks to all the people that were subscribers for the last decade. But we're pretty stoked on it.
Rodrigo:	**00:10:11**	Yeah, that's pretty exciting.
Meb:	**00:10:14**	It's a little painful for me personally, because I'm just like anytime you're shutting down a business, that's actually like successful and running, it's a weird feeling having like, y'all starting things from scratch and bootstrapping, and then moving to a period where it's just not a focus. It's painful for me, but it's Friday. We're doing ReSolve Happy Hour, so I'm cool with it.
Adam:	**00:10:41**	Well, cheers, man. That's …
Rodrigo:	**00:10:43**	Yeah, congratulations. Yeah.
Adam:	**00:10:45**	And yeah, it's nice to have some ballast to the wealth management business or the asset management business, right, that can be volatile. And I mean, once you get above a certain threshold, then your belly's not dragging on the runway every couple of years when strategies are out of favor, then you've got some more latitude, but it's nice to have that that ballast to keep the business running when …
Meb:	**00:11:09**	Yeah. I mean, I think the curation trend, there's still a lot that could be developed there, not just in our world, but in any demographics. There's a few businesses that have been trying to do it, but I think it has long legs. I think a lot of people would characterize it now as like, hey, I'm going to do an AI focused filter to this,

		but I think that's a huge business opportunity of actually teasing out like, the good content from just the noise.
Mike:	**00:11:38**	Are you still doing the podcast sort of oversight stuff as part of your communication of good content, curation?
Meb:	**00:11:48**	Yeah. So, it'll send out the top two or three podcasts each week, investment related, and sometimes we'll throw in a wildcard that might be something else. The cool part about this is it also has a free Spotify playlist that goes back like four years now. So, if you look up *Idea Farm Spotify*, it's got the top two or three podcasts each week, for the past four years, and you combine these two and I, this is self-serving, but 99.9% of it is not my content. It's someone else's. I think if you are a student, a young person, even a pro and you go listen to these podcasts, you go read these pieces from the top institutions all over the world managing trillions of dollars, to me, that's way better than a grad MBA or PhD. I mean it's incredible. And so anyway, I don't know anyone that's plowed through them all. But if you have, awesome. But if you search on Spotify, it reminds me we need to add that link to that site. But there's three or four years on there and y'all got some too. So, we'll have to see which ones they are.

So, You Want to Manage Money

Rodrigo:	**00:12:55**	You know, it's always interesting when somebody comes up to me and says, listen, I really want to learn about the market. I want to get that education. Where did you go to school? You know, what do you think my career path should be? And when I asked them specifically is it that you want to manage money, then honestly an undergrad in commerce, an MBA, a CFA is not going to get you anywhere close to the content that we've kind of all created in this little bubble, right? There's a lot more value in the things that you put together that Wes put together, Corey, ReSolve, you know, that kind of FinTwit crew, that I never send them anywhere else. You know what I mean? There's so much value that didn't exist …
Meb:	**00:13:38**	Closing the loop on that, I think there's opportunity for some business models. I mean, you have Masterclass that does it and I was joking while back on Twitter, I'm like, you have Masterclass for wine, BBQ, the Franklin one is awesome, by the way, on and on. I was like, how do you not have any about investing or any like, day-to-day life skills? I said it's an opportunity. And you're starting to see some of these business models pop up. I saw one the other day for a startup that's doing kind of this life school; all these things you weren't taught in high school but you need to be an adult, right? Like, some of these, just basic stuff. But one for kind of 101 level investing, but then also 201, 301 levels and having someone -- I don't want to do it, way too much work, having someone curate

that sort of curriculum. You know, to me, that's a eight figure idea, maybe nine figure idea.

Rodrigo: **00:14:31** Well, I saw a couple of Masterclasses on TikTok on options trading, you know, really small cap stocks. I'll send it your way, Meb. Maybe you can put it in the Idea Farm.

Meb: **00:14:42** Yeah. I love it.

Rodrigo: **00:14:46** Okay, so that's a very exciting announcement. In the main business, what are you excited about today? What have you been seeing?

Meb: **00:14:53** Excited about today, specifically, you guys time this interestingly. What the market do today, down three-ish?

Mike: **00:15:01** Minus four for the NASDAQ, minus three for the other …

Meb: **00:15:05** I was just selling man - go away man. I was joking on Twitter I said I'll see y'all in the fall. I'm part of Southern so I can bring out my southern roots. I said I'd love to go on a four month sabbatical, although after the last couple years, man, I was like, can we just have like a quiet quarter or just like nothing is going on in the world? You know, we have crazy inflation, wars in Europe, pandemic is seemingly kind of just sticking with us. So, what am I excited about? That's a good question.

Mike: **00:15:37** Well, as you're pondering that, do you think this action today is a bunch of preemptive *Sell-in-May* stuff? Is it just the simple folks just saying whatever, I'm out**?**

Meb: **00:15:48** I was talking to a buddy last night. We were golfing which listeners probably laugh. I'm not really a golfer. But when everything closed down in LA, it's like the only thing the like golf lobby had to be, you know, the politicians or something, they kept the golf courses open. They even shut the beaches for a while, which is obviously insane. So, you couldn't surf, couldn't do anything. So, I started playing golf, mainly for this great happy hour spot. So, listeners, if you're in LA and you want to meet me at …, let me know I'll take you out. It's a $15 Muni.

But I was playing with a friend yesterday and he's like you know Meb, this market, I know your schtick. All the indicators in my mind, speaking to large cap US stocks are looking pretty, pretty gnarly. And we've been kind of doing this message for a long time where we talk about the market in terms of yellow light, and red light. And yellow light for me is like all these signals; valuation, all the crazy stuff we saw last year. We have a tweet thread that we were doing for a while called *What in Tarnation,* where we talked about, just kept adding chart after chart. It was in February of 2021 of just the craziness, right, so similar to

2000, 99. And so you go read that and it's just like, what were people thinking back, you know, a little over a year ago.

Anyway, all these yellow light things and then but we've always said like you know, the final boss and even historically speaking too, this is the worst setup, is when you have an expensive market but then when it enters a downtrend. So, once it actually rolls over, and so you kept having for the past couple years, all these yellow lights, but the trend may roll over briefly, but go right back up. Buy the dip, right. And so now it's rolled over. And what we know from history is you kind of do that quadrant of cheap uptrend, S&P historically has done like 17% a year. But expensive uptrend was number two, and that's usually okay, you get reasonable returns. But expensive downtrend is where things get gnarly and usually historically the returns are zero.

And so you couple this with all the stuff going on, I mean, let's not even get to inflation. Like, you want to see a just vitriolic, angry response on Twitter, look at some of the tweets where I talked about inflation and stock multiples. Historically, stocks hate, hate high inflation. And so you have average multiples, then you have high inflation multiples and those are like 10, you know. So, long winded typical Meb answer, you guys don't get one minute answers me. Talking to my friend playing golf and he said, what do you think this can do? I say, look, maybe we rip right back up, maybe we go down a little bit. I think the most likely scenario from peak to trough is like, 08, 2000, you know, down 50. And he's like, oh my God, that's crazy. I'm like, what do you mean, it's crazy? Markets go down 50% all the time.

Like, look at half the foreign markets over the past decade. You live in any number of these countries, they go down 50% and they call that a Tuesday, you know? So, I mean, Rod's from Latin America, I mean half those countries, you know, that happens once a year, I feel like. So, not a big deal but like to me super… and the weird part and people love to dunk on me for this. I say look, my largest fund is a long only stock fund. So, it's not like I'm just specifically talking my book here. This is kind of what I see from the research. And you guys just did this amazing podcast and we got to talk to him recently too, Antti Ilmanen. And he's put out a great book which I would show on the show -- I would hold it up but it's actually my laptop stand. *Expected Returns,* what is it low? Investing … Sorry, I was enjoying the book so much the other day at a lunch place having a -- at restaurant, I left it there, and had to go back and get it about an hour later.

Anyway. So, I think today is normal as we know, and downtrends, volatility is much higher, both up and down. So, you get two thirds or 70% of the worst days happen in downtrends. But the best days too. So, you see that volatility expand, and you know, this feels like that. And the market, the US large cap weighted is kind of the last shoe and it's down only like 12% or something, it's nothing yet. A lot of carnage under the water.

Mike:	**00:20:43**	Yeah. I guess we're getting that official close below the 10 month moving average too as of now for the S&P as an example. And so you've got your initial work back, what was it, the Ivey Portfolio back in the day? 10-month moving average. So, things behave differently below the 10-month…
Adam:	**00:21:03**	I kind of like it when the market closes on the final day of the month in this way that gives all the monthly moving average products a hard decision to make.
Mike:	**00:21:17**	Last month was hard because it was close. This month is not hard. It's like you're now 5% below your…
Meb:	**00:21:25**	We've talked about this probably on prior ones. But you know, look, a lot of the research that we put out as well as others is meant to be kind of instructive and basic and simple. And I think the challenge, particularly with the time series, ideas, but it really applies to any investing methodology. People love to get set on one asset or one concept, you know, I'm a gold bug, you guys are Canadian, you can resonate. I'm a dividend guy, I'm bearish, I'm a -- whatever. And the challenge…
Adam:	**00:22:04**	Yeah, those are all Canadian sentiments.
Mike:	**00:22:08**	I think those are all Adam sentiments.
Meb:	**00:22:09**	I'm trying to speak to my audience, guys. Give me a break. I'm reading the room. But if you look at it and think about it, that's probably the worst way to be an investor is to be inflexible and be -- adhered to one outcome, right. And so there's a quote that I just can't get out of my head by Adam Grant. And he talks about, he's like, I don't want and I get it backwards now, because I play it both ways. But he's like, I don't want my ideas to become my identity. So, in my head, if I'm like, all right, I'm a gold bug, gold -- all day, all I'm doing is looking for confirming gold going up evidence, when in reality, you should be doing the opposite. Like a good portfolio manager, analyst, is constantly trying to tear down their ideas. But the opposite is true. I don't want my identity to become my ideas. And so applied to something like some of these systems that have a very specific trigger, to me is crazy. Like, y'all talk about ensembles, Corey and all these others. And to me, that's the most thoughtful way to do it. Now, why don't people do that? It's because people secretly like to gamble. Right? So, how many times you guys had a conversation with someone and said, hey, what do you guys think about US stocks? What do you guys think about Twitter? What do you guys think about Bitcoin? Should I own it? Should I sell it? It's never like, should I sell a quarter of it? You know, maybe should I dollar cost

		average into this? Maybe I should -- it's because they want to gamble, or they want to be totally in or totally out, which is crazy. And so a lot of the ensemble idea is, to me, it's a much more thoughtful approach. But it's particularly fun watching some of the washing around and whether it's the momentum funds or names where you can see that window just very -- like, so the perfect example all time on this, is a long-term moving average system applied to 1987. And if you had something like a 200-day or quicker, shorter, you would have been out during the crash. I mean, people were freaking out by the 3% down day that was 20. And then 200 days or longer, and you are invested long during the crash. So, career defining outcome. Well, the reality is if you had an ensemble you would have been mixed.
Adam:	**00:24:23**	Half in, half out. Yeah, exactly. And that's a win.
Meb:	**00:24:26**	Nobody wants that. Nobody wants to cheer for that.
Rodrigo:	**00:24:28**	No, but this is it, right? Like this …
Mike:	**00:24:29**	Yeah, go ahead.
Rodrigo:	**00:24:33**	Who gets the blue checkmark on Twitter, right? I mean, Meb, I know you got a blue checkmark, I get it. You're the exception.
Meb:	**00:24:40**	It's more turquoise. It's actually just like a emoticon that's turquoise.
Rodrigo:	**00:24:44**	I kind of feel like Elon's going to cancel you soon. But there's too much free speech coming out of you. The vast majority of guys that get this type of following make absolute statements. This is something like human nature that people love. They want to know who's the most certain and the most adamant that something's going to happen? And what ends up happening is the person that got it right by flipping heads 10 times will bubble up to the top.
Mike:	**00:25:08**	Who got it right, right now, ex ante, like who got it the most right, right now?
Rodrigo:	**00:25:14**	All those guys in 2008 that got it right, like a Peter Schiff Prechter…
Meb:	**00:25:23**	Roubini.
Rodrigo:	**00:25:25**	What was a woman from …
Meb:	**00:25:29**	Well, because there's another *Doom* which is Faber but he's actually pronounced it *Fahber.* So there's a couple *Doomers*, but … Somebody emailed me the other day, and they're like… I've been following your dad. I'm like, who's my … think my dad is, because I don't think it is who you think it is? Do you think it's David Faber? Do you think it's …

Rodrigo:	**00:25:49**	Over time you're starting to slowly look like your dad. Yeah, that's where you end up.
Mike:	**00:25:54**	I've heard about that Faber. He could be my dad. I'll go hang out with him.
Meb:	**00:25:57**	So, one comment is like, if you look at some of these star portfolio managers over time that people flocked to, and let's be clear, this is not just a retail phenomenon, like advisors, and institutions consistently get drawn just like flies to you know what, because it's not just the individual, it's a human condition. They're universally smart, they're charismatic, they're very opinionated, but they're often too contrarian, so they tell you things you may not have heard before. And we could name probably a dozen of those right now. And that's a great way to play that game, if you want to raise money. Now the problem then is you're building this cult of personality about chasing hot managers. And as we've seen, Bogle's been talking about this for decades. That's a really, really bad idea to chase the hot hand, particularly discretionary.
Rodrigo:	**00:27:01**	Meredith Whitney was the other one, right?
Adam:	**00:27:05**	Yes.
Mike:	**00:27:07**	Yeah. She got hot for …
Rodrigo:	**00:27:08**	And today, isn't it ARK? Isn't that the same thing? She expects a 40% rate of return in the next 12 months.
Meb:	**00:27:20**	Rod, you're out of date, first of all. That was -- if you were in Miami, that was up to 50% from 40, and that's from share prices of a few weeks ago. So, it's up to -- the math should be up to 55% today, and pretty soon up to 60%. But we ran a study on industries over the past 100 years of French-Fama and looked at how many rolling periods, even these tiny industries like coal stocks, right, had 50% returns for five years. And it was like, point -- no, this was 40%. It was like point -- it was a rounding error of .01%. Basically, it happened like two times. It was like coal stocks and like something else. And the heart, like it, it could go down an entire rabbit hole there. But that …

Down the Rabbit Hole

Mike:	**00:28:16**	We're down the hole, man. Give it to us. Let's go. Let's do it. No, no, do it. So, you went down the rabbit hole and you say, okay, how often does this happen…
Meb:	**00:28:25**	The realm of what is possible and what is probable and the conviction to say that it's, to me, really hurts credibility, right. Like, Right. I think it's really irresponsible. But as Dumb and Dumber, said, there's a chance, so…
Mike:	**00:28:55**	So, you know there's a chance.

Rodrigo: **00:28:57** So, let me ask you a question. Because this is something that is really tough for me to reconcile. Right? So, we talk about these people that talk their books, and they're overly confident, they are narrowly focused, and their value systems fully attached to that that leads to irresponsible outcomes. I found myself today in an interview that Mike and I did about one of, our ETF in Canada. I found myself being very proud, very dogmatic, very over the top about how much I believe people should invest in this broadly diversified way with risk parity and long/short trend and multi strategy futures and tail protection as a whole solution for -- and I stopped myself for a moment and thought, man, people must think I'm a zealot, a lunatic for being so aggressively married to this concept. So, I'm trying to find a way to articulate the difference between believing in a framework of diversity and diversification, and believing in the framework of the Bitcoin movement, because people will see it as the same thing.

Meb: **00:30:15** Why did you just extrapolate from zealot immediately to Bitcoin? Like, you didn't have to cross that bridge. We just lost half our live streamers.

Mike: **00:30:25** There's no zealots in Bitcoin dude. It's just called Bitcoin.

Meb: **00:30:29** You missed it. That was the conference right before we were there. There's 10 times as many people. So, what do we know?

Mike: **00:30:35** Exactly.

Meb: **00:30:37** You know, I mean, look, it goes back to, I think, one, an appreciation and understanding of history. Two, of just being thoughtful of, it's like talking to experienced professional gamblers and speculators, but like, say in Vegas. And so you have the Bill Gross, the Ed Thorpe, the card counters who understand how the game is played. And then you have the people and you go sit down at a casino, who sit there, and they play totally by feel. Now those people may win, right, and they believe it. And not only that, they often will like, yell at the card counters for playing irrationally or doing something that oh, you hit that? You see, because you hit that I got a seven and now I busted, like, I blame you. Right? They believe that.

And now you would say that that's not a thoughtful understanding of how the game works. It's not like -- and you go to a poker table, and it's actually really depressing to sit there long enough, because those people all get washed out. It's like an old, was it *Rounders*, where there's like a time series of like, the pros sitting there. And they just keep churning the empty seat, right? Like it's just eventual, like it's an inevitable outcome. And so just by the law of large numbers and power outcomes in our investing world, I mean, we could say this with so many examples. I mean, this is why people are consistently attracted to expensive lottery ticket stocks, right? Because one out of how many ever becomes an Amazon. And people forget the other 100 that are zeros, right? So, they're consistently attracted to them.

But the good news is, and this is like one of my favorite quotes, we consistently say it's like *the biggest compliment you give someone in our world, surviving*. And you make that list of the hot manager, the zealots for the past 50 years. That list is like a mile long, right? Like everyone's forgotten them at this point. They're gone. And you talk about the late 90s and Janis and all the other names and crazy things, but it's not just in, you know, bubbles, but other countries. I just started watching a great documentary, not documentary but show on HBO, Tokyo Vice, but it reminds me of the 80s boom in Japan, right?

So, I think it's, you have the professionals that understand the game and the history. And you'll always have the people that honestly believe what they're selling, and then you have the people that don't believe what they're selling. And that's an entire -- another category. But I think it's great to believe in what you're -- pushing is the wrong word -- what you believe in, and then we get into the other whole concept of skin in the game, investing right alongside your ideas. But it's a story as old as time.

Adam: **00:33:48** Speaking of believing in what you're selling, is anyone surprised that despite the fact that ARK has had this just incredible round trip, that investors have been buying continuously all the way down? I mean, this -- I don't know that we've seen a phenomenon quite like this in the past, other than sort …

Mike: **00:34:11** Is that -- maybe elaborate, Adam because I didn't know. What I understand is ARK's … tell everybody because I didn't know. So, I'm assuming everyone else doesn't know either.

Adam: **00:34:24** Yeah. Eric Balchunas has highlighted that over the last couple of days, just the fact that ARK has been accumulating new creates. Like there are people continuing to pile into ARK.

Mike: **00:34:35** So, money's pouring in still?

Adam: **00:34:36** Yeah, even while it is enduring this incredible drawdown, right. Are there other examples of this, of managers who've had such a swoon? And yet where the followers have been just -- had such conviction that they've continued to pile in so aggressively? I mean, this, to me, is remarkable.

Meb: **00:35:02** Well, I think there's a couple elements at play. And Jeffrey Pathak from Morningstar has been great, because he looks at a lot of the times in history, speaking specifically to the 40 to 50% projections. And he says, look, here's the times in history funds have actually done this, and their future returns. And it's like, doesn't bode well. But my perspective on this is and Eric has a great tweet where he talks about the three or four reasons why he thinks it has been enduring. But I think it's eventual. Like, I think it's preordained, what's going to happen, to me. I think there's a point and I think we're there now, where you start to see the redemptions. And part of it, you look at like the various stages of grief and like how --

If you look at 2000-2003, that lasted three years, right? You have … The people, right? They're hoping it's coming back, then they're wanting and like that feeling of going like buy the dip, and then it's like the hope and then it's the despair, and then it's I don't care, right? And look, that was me, the late 90s coming out of university, I have PTSD from a lot of these companies; CMGI, Lucent Technologies, a lot of these. Like, I probably had carry- forward losses for like a decade for some of these stocks. And we've kind of tweeted about this before, I think 20% down, you hit a certain level of buy the dip. 40 and then it kinks every, I think, 10% after that. I think we're to the point where it's like the eventual like despair part of this and I think …

Adam: **00:36:52** There is a point where investors just stop looking at statements and there's an ostrich and kind of head in the sand type of phenomenon.

Mike: **00:37:00** If I go back to living my days -- go ahead, Rod.

Rodrigo: **00:37:02** So, I was just going to say, I tweeted about this with Shopify, because I had memories of Nortel, right, in Canada that represented the vast majority of the S&P/TSX 60 was the darling of Canada. Every investor had that as a line item in their portfolios. And they did the same type of thing. They bought on the way down and then they just gave up. 10 years later, I get into the business and started looking at people's portfolios and they have this Nortel, every single person had that equity line that they never sold, right, and just gave up on and it's almost like a token of a reminder of stupidity that they had. And I was looking at Shopify, and I was thinking this is probably the next Nortel for every Canadian statement 10 years from now that is going to be right next to Nortel, right? Maybe not. I mean, Nortel was a bit of a fraud. Shopify is actually a business model but it's -- was it not a fraud?

Mike: **00:37:56** No, that's Bre-X maybe but Nortel …

Rodrigo: **00:37:59** There was some stuff with the …

Adam: **00:38:00** There was pension issues and stuff. There was some drama for sure but there was no fraud.

Rodrigo: **00:38:06** I'm not saying Shopify is it, but certainly the valuations that got were outrageous, right, much like …

Meb:	**00:38:10**	I'm glad you guys, Canadians, remember Bre-X because I was joking when Brex came out, the credit card company and I was like you guys just like clearly are young and don't have any experience. Because naming this company, the exact name of one of the frauds, they'd be like, hey, I'm going to do a startup today called I-N-R-O-N, like, Inron and you know, it'd be like, what? No, that's a terrible name. Why would you ever do that? So, meanwhile, Brex is … $10-20 billion. So, good for them.
Mike:	**00:38:40**	I love it. Listen, I remember 2000 very vividly. I was managing people's money at that time. I remember getting the spin out from Nortel, I remember selling it at 80 for everybody because those who owned BCE did not need to own Nortel. And I remember getting in shit with those clients watching it go to 120. And then I remember getting a pat on the back when those clients, when it passed through 60. And you just -- it's a thankless job, you're just wrong at some point. And the NASDAQ 5000 pulling back to 4000 was the buying opportunity of a lifetime. And you know, gosh, you got it at 3700 oh, my God is so good. And I remember one of the old brokers saying, yeah, that thing hits 2000 before it hits 5000 again. And I'm like, what are the *old saws*, you know? Just like, as a matter of fact, me as a young kid going, oh, this is the best. Come on. Technology is going to change everything. Dude, it's going to be the best. We're going to be at 5000 in no time and the freaking curmudgeonly old guy with a cigarette looks up and says it's 2000 before it's 5000, buddy.
Adam:	**00:39:47**	Yeah, I'm buying Philip Morris, man.
Rodrigo:	**00:39:49**	You guys remember the infamous video from Kramer on Bear Stearns, the *buy, buy, buy*? If it was a deal at 40, it's a deal at 10, like a day before it went to two. It was --
Adam:	**00:40:03**	We're going to get on that theme of Kramer's calls then. This is going sideways.
Meb:	**00:40:10**	There's always like crazy -- like, we all know that humility is like the number one trait you need to be an investor. You almost have to be a historian, a comedian, but have humility because we all have the scars and that's the best thing you can happen to. But the amazing lack of humility you see in a lot of investors when they're doing really, really, really well, particularly like in the ARK example. They put out that video, I don't know if you guys remember that was like, at the peak of their performance that was just dunking on value investors, and like the way -- like it was, so cringe, and you can find it on YouTube. But you see that, like that behavior all the time where it's at peaks, and you're like, oh my God, you didn't really just do that. I can't believe it. Why would you tempt the gods, the investment gods that way because you're just going to get taken to the woodshed like it's just karma. I'm sorry, at this point it was like when … was comparing his funds to Berkshire. Not only that, got all the

performance numbers wrong, but still compared them to Berkshire. Then has a bad year. Berkshire is doing amazing this year. It's Berkshire weekend, by the way, and then doesn't mention it the next year. Zero mentions of SPACs this year. And I'm like, come on, man. If you're going to take the W's, you got to take the L's.

Rodrigo: **00:41:30** No. But he explicitly wrote that he is no longer going to track himself to Berkshire Hathaway because they have taken a different route, that no longer correlates to the same type of mentality or philosophy as Berkshire does. And it no longer makes any sense. So, you can put up numbers against Berkshire one year, and then just say, you're not going to do it anymore without showing the numbers as to why. It was an outrageous letter. I could not believe it.

Meb: **00:41:58** You have to be a good loser to exist in our world. You have to talk, like in my mind, you have to not only embrace the losers and learn from them, one of my favorite quotes, and I attributed this to Mark Yusko, I don't know who actually said it. But he says every investment makes you richer or wiser, but never both. And I love that investment. Right? Like what do you learn from your winners? Jack shit. Like, what do you learn from getting taken to the woodshed on some idiotic stock or cryptocurrency? Well, you could choose to learn something, many don't. They blame whatever. But you want to hear a great Berkshire stat, just while we're here? I saw this on Twitter and I said this is the most amazing, false sounding stat that's actually real that I've ever heard probably, certainly this year, but maybe for many years.

And Chris Bloomstran was talking about this. And he said going back to 1960s, the Berkshire partnership, Buffett could lose 99% drawdown from today, and still be outperforming the S&P. And that is the most amazing statistic I've ever -- you're like there's no way that's actually factually correct. And then you go do the math for whatever that is, 60 years compounding at 20% versus 10, lop off 99%. And you're still beating the S&P and there's some lessons in there, obviously. It's amazing. You compound at 20%, which is always funny when we're going back earlier talking about compounding at 50%.

Wes, our buddy Wes has a great article about like, even God would get fired as an active manager. But it's like if you compound at 20%, you eventually become one of the richest people in the world, long enough period. And it's always funny to look at people, whether it's expectations, which was 17% for US stocks, by the way, a year ago, whether it's like these hucksters that are talking about 300% gains and like all the advertising, you're like yo, you don't need -- way too high. Like you can just project like slightly above average gains, and you'll become incredibly rich. But wow, what a stat.

Rodrigo: **00:44:02** Yeah. Adam, funny story about that article, when Wes published that article, that day, you published an article about having an ominous investor that knew exactly which asset was going to win in X amount of years and a diversified risk managed portfolio at the same level would have outperformed still, that single asset class or something like that. It was interesting that you guys came up with the same…

Adam: **00:44:26** It was a time in markets that I guess prompted that kind of thinking and warranted that type of sharing. But yeah, it is -- this is a very, very difficult business because when you're -- even when you're doing well, like Mike always tells a story of -- because we've we manage a wealth practice in Canada as well. And so we have these annual reviews. And I remember back in 20 -- I'm going to get the years wrong but 2011 we did 8% and the market did, whatever, 20% or something and clients were giving us grief for why did you do so poorly or why are we lagging? And then 2013, we did 8%, the market did minus 10 or 12%, or something like that. Clients were very happy. And we're like we said, we just kind of want to do 8% a year and we don't want to be tied to the market. But it's just so hard, even when clients say that they want sort of steady returns of 6-8%, which would be remarkably strong performance, that's not really what they want.

Patience is a Virtue

Meb: **00:45:35** You hit on a couple great things. One is, I was joking to somebody the other day, I said every investor professional, by the way, and they're guilty of this, almost universally. They say I'm a process driven investor. We have a committee, rigorous process, we invest based on process, not performance. And I say really? Interesting, because 99% of the professional investors I talked to, yes, they have a process on what they buy, and then they have zero process on what they sell. And let me give you an example. In all the years you've been investing, all the years, I've been investing, I've had plenty people that will say, Meb, your fund, we got 12, so there's always one that's garbage performance over any timeframe. Said Meb, your fund's garbage, underperforming, we're selling it.

You know what I've never had, and we've had plenty of these too, Meb, your fund is doing amazing. We're doing better than we expect, so we're going to sell it. Never heard that once in my life. Right? What they say is, Meb, you're brilliant, you're handsome. I can't believe how good this fund is. We're investing more. Okay.

Mike: **00:46:49** Ugh. It's making me cringe right now.

Meb: **00:46:51** But going back to your earlier discussion, I love to say this for people. And look, we've been through rough times in plenty of our strategies. I mean, look, we're a value-trend shop at heart. For the better part of our existence, those two ideas were out of favor. Last two years, hey, it's been very uncomfortable. Because so many things have been working as opposed to the prior seven years of --

Rodrigo: **00:47:14** You don't know what to …

Mike: **00:47:15** Preach, preach.

Meb: **00:47:17** Right. But it's funny because people come up to me, and they'd say, Meb, this fund's garbage, the strategy, like it's down. I bought it two months ago and it's already down 15%, I'll say, oh, it can get way worse than that. And they get taken aback. They're like what? Like, that's nothing like this fund could outperform for like five years in a row -- underperform by five years. This fund could probably go down 50% and be within the realm of like our expectation, and they'd be like, so surprised. And like, no one's ever going to tell them that. But that's the reality. And then you guys have heard me say this a lot, so it's old hat, but maybe the listeners haven't. And I've changed my mind on this. But if somebody asked me how long they need to give, for one of our funds and allocations, I used to say 10 years in which no one will do, but like that's the correct statistical answer. I think it's actually closer to 20, which no one's going to do, also. But statistically speaking, that's probably the right time horizon you need, to determine if this strategy is actually, you know, Meb data mined or actually thoughtful construction. So, nobody wants to hear that they want to hear …

Adam: **00:48:26** We've done some work, like a few teams have these long datasets, Goyle, and Fama and etc., right, and some of them have these large factor datasets. And Wes' team publishes back to 1990, but the Q factor guys published back to 1962 or something. Like, 120 different factor portfolio strategies. And so it's remarkable to go back and have a look, and try to see if you can identify the strategies that are legitimate or that are likely to outperform in the future by examining their performance in the past, using a wide variety of different ways of doing that. And I have yet to identify a method where you can say, you know, enterprise value to EBITDA, or asset growth or one of 160 different factors. Like, can you take the top half based on 40 years of performance and then continue to do that on a rolling basis. And what works? Own them all in equal weight. There is actually no way to identify even over 30, 40, 50 year horizons, which ones are actually going to go on and outperform.

Rodrigo: **00:49:46** Well, … how long it would take to disprove that value was dead. It was like 67 years.

Adam: **00:49:55** He used a really thoughtful method. Yeah, his Factor Fumblewinter I think, and he used a Bayesian approach. And yeah, it was depending on the volatility of the strategy, it was like, think low vol or bidding against beta required like 40 or 50 years and momentum required, like 300 years or something. I mean, the reality is you either believe that this thing works for -- and we can probably get into some other more technical ways that you might gain more confidence, but just having the performance numbers, there isn't enough time for you to determine that something is a real thing during your life, your lifetime, you either believe it is because it makes sense to you or you don't and …

Rodrigo: **00:50:45** Underlying economic reasoning as to why and you just …

Meb: **00:50:49** The time horizon mismatches is like one of the biggest problems where you ask people you say, okay, the number one most universally held belief, and I don't know, really anyone that doesn't hold this, is that stocks outperformed bonds over time, right, like everyone, ironclad universally held belief. But then you ask people how long would you give stocks, underperforming bonds, before you would sell that allocation? How long would you tolerate that? And you can mask it, actually say not stocks and bonds, but just say, this asset or this strategy, and usually it's like three years - people are crazy, they may say five.

But we all know stocks, plenty of times have gone decades. In the US even if you go back to 1800s, it's like 60 years of similar performance as bonds. 2020 stocks have gone 40 years in the US with same performance as the long bond. And that is a long time for something that is a universally held belief that they outperform over time. But *over time* is the key part of that statement. Like, what do people really think over time means to what do people behave on what over time means, and that creates all the problems that we all know/

Mike: **00:52:06** Well, when you think about that, and if people did think about these things over 20 to 60 year timeframes, the call you would get is Meb, just checking making sure the process is the same or process is the same for your particular strategy because it's performed so shitty, we wanted to make sure we added some capital because we know over time, the actual forward looking returns are better than they were when we first made the investment. And so we're over the moon at this opportunity to get more money in at better prices. I've never got that call ever.

Meb: **00:52:42** I'm going to tell you a funny story is that we see on Twitter and elsewhere and everywhere and it's a seductive thing to do. And I get it. It's like you want to cheer when you're doing well. But I said, you know what I want to write about one of our really terribly performing strategies and share it just to demonstrate like (a), we still believe in it, it's been a bad environment. Try to demonstrate some of this humility. And so we wrote an article a year ago, like January. It's called *Totally (Not) Crushing It,* totally crushing it, but the *Not* was in parentheses. And it was about a simple strategy of buying value and momentum stocks, but then hedging that in the US top down with S&P futures, based on top down, US stock market valuation and trend. So, you have like, five different, terrible decisions over the past five years.

This looks by the way, and when I feel too depressed about it, I go and compare it to just funds by AQR, Gotham, Vanguard, by the way, Vanguard has a market neutral -- mutual fund, which was surprised a lot of people, they are as atrocious as ours so I take solace in that. But we wrote this article, and no one's interested in this fund, by the way, it was just like, just me. And then sure enough, over the last two years, it's been fantastic. So I'm like talking to the investment gods. I'm like, all right, you show humility, talk about your losers and what you do poorly, they will bless you with some -- …

Rodrigo:	**00:54:26**	A sacrifice to the gods.
Meb:	**00:54:28**	-- magic sprinkle dust of not taking a victory lap, but I got a lot of good responses from it, because people you know, all they hear all day is we're crushing it. Here's why you buy our strategy. And I was like, look, here's the strategy that has sucked, no question about that. But we believe in it, and here's the reasons we believe in it, and we think we'll do well. Now, no one allocated to it, let's be clear, because it looked awful trailing equity curve, and it's been amazeballs the past two years and this year, as well. And so this urge of like -- and some of the old CTA writers used to write about this, Tom Basso and others, about allocating during drawdowns to strategies and managers. Because if you believe in a manager, and the process you think is -- And by the way, for me, this applies to assets and sort of strategies, quant strategies. Discretionary to me is like a total nightmare, like trying to decide if Kathy or David Einhorn or some discretionary manager is good, or they've lost it, or they just want to hang out in the Caribbean, or they got divorced, or their kids are mad -- like, the 1,000 things that affects discretionary, like total nightmares, so I don't really apply to that. And the other thing is all the evidence shows like you want to be investing in things that have been destroyed. I mean, look at energy two years ago, it was down 80%.
Mike:	**00:55:58**	Tobacco in 99.
Adam:	**00:56:01**	Yeah, I don't necessarily suggest that for every strategy, that if you're in a drawdown, it's a more attractive time to buy. There are definitely some strategies where when something is in a drawdown …
Meb:	**00:56:16**	… strategy that wouldn't be good in a drawdown. If there's a strategy that you believe in and you want to allocate to.
Adam:	**00:56:23**	All I'm saying is, you don't want to buy them when they're performing well, but I don't think they're any more generally attractive when they're performing poorly.
Meb:	**00:56:30**	Well, the consistent concept is to, (a) rebalance, right? So, you're consistently coming back to target. And I think there is a parameter which you could argue, you could "over rebalance" to. So, if you're doing a basic risk parity allocation,

and you get to something like US stocks are down 80, well, maybe you would rebalance more than the target. I don't know. It's an idea that I think, is probably incrementally helpful. I mean, look at commodities over time, just long only, like that's drive …

Adam: **00:57:05** Yeah, I think assets are something that you can kind of say when they're in a long drawdown that are probably more attractive. I'm just saying like, in general strategies, I'm not sure momentum has a better expectancy when it's in a drawdown, or trend or what have you, right? But value probably, yeah.

Meb: **00:57:21** Well, presumably value.

Mike: **00:57:23** Hold on a second. There's a couple of things. One is, I think the algorithm is, you're in a period of drawdown or low returns. Is the strategy broken, yes or no? Yes, abandon strategy. Is the strategy not broken, well then reallocate. But beyond that, if you have a long term return of X, whatever X is on a fund, and you know that you're well below that return over some rolling period over the last five years, or 10 years; at the end of the day, to get to the average, you must spend time at both above and below the average. So, if strategy still works, you have some sort of expectations …

Adam: **00:58:03** Yeah, you're making assumptions about what the average is, I guess -- here's my example. Right? Again, 160 different strategies, systematic strategies from the Q factor website. If you allocate based on momentum, or very long term performance, risk adjusted alpha, risk adjusted alpha, variety of different metrics, it being very strong, that's a bad strategy, it being very weak, that's a bad strategy. Holding all of them and rebalancing, that's an effective strategy.

Rodrigo: **00:58:31** Right. So, this is what we should differentiate. What you don't want to do is a value's down, I'm going to abandon ship and rotate everything into growth. And then when growth is down, abandon that ship and rotate everything into momentum, right? Like this idea of overconfidence, of hubris is what we're trying to mitigate against. And I think …

Adam: **00:58:52** You have a strategic allocation and the fact that something's down means you need to rebalance and add capital to it, to balance with your strategic allocation.

Rodrigo: **00:59:04** Yeah. So, if you believe that this -- so, there's certainly, I think, mean reversion in pure asset classes. And there's certainly an expectation of positive returns, if you believe in that, whatever strategy, underlying and then we've spoken endlessly about this very important factor, which is the premium that you can accomplish from pure entropy, right, from just noise, the ability, the *rebalancing premium* of adding to the losers and taking away from the winners and harvesting that volatility is an area of return that when you're simply switching from one to the other, this idea of factor timing rather than factor equal weighting and rebalancing. Factor timing's a problem because you're also fighting against this rebalancing.

In your interview with Antti, he talked about the commodity premium, right, of owning a basket of commodities, and the fact that they don't actually usually have a positive yield independently. But because of their non-correlated nature, that the basket, you're able to harvest and create a positive risk premium from that balancing premium. So, in order to make a decision so bold as to transition from one thing to the next, you have to be willing to give up or whatever you think that rebalancing premium is. Right. So, all of that kind of is a rich tapestry of everything we're talking about. Right? There might be over rebalancing on the asset allocation side, regular rebalancing from … perspective on the strategy side, and then there's obviously the, whatever discretionary layer you want to put on top.

Adam: **01:00:41** Yeah, I mean, I think there's like, Meb alluded to the fact that there's some, especially in asset classes, again, there's a rabbit hole here, right, but there are better rebalancing frequencies than others, in certain asset classes with certain strategies, no question about that. Right? So, there's some thoughtfulness there. But I guess what I was just trying to caution against was giving everybody the view that you should use this sort of willy-nilly emphasize strategies that are in a drawdown, and I'm not sure that any of us is espousing that view.

Mike: **01:01:11** Well, the good thing is no one will do that anyway.

Adam: **01:01:16** We're nudging in a direction and probably is constructive, because …

Mike: **01:01:20** There's the right, there's a left. We're taking a position to try and nudge people with a little …

Rodrigo: **01:01:24** Audience just dropped by 80%.

Fighting the Prevailing Zeitgeist

Adam: **0:01:28** Yeah. That's right. I will give Meb credit, though, because Meb you do step into the swamp a lot in public, right, in terms of like, just continuing to try and hammer home these very basic concepts where you're fighting the prevailing zeitgeist, right? Like, several times a year, for the last 10 or 12 years, you've been out in public saying, who owns trend funds, right? Or what is your allocation to trend funds? Zero to 5%, five to 10, to 20, and like 80. For most years, it was 80% of zero to five, right? And this year, now, we're maybe there's 30%, or in the five to 10 range. And so we're moving, and you do the same thing with value. And you do the same thing with a lot of these long term strategic categories that everybody should have a material exposure to, and most people just don't, right. And it's amazing to see how much like you say, vitriol, that you get.

Meb:	**01:02:28**	Well it's funny. On the trend one, is sort of like an apathy, I feel like it's like, people just don't really care that much. They're just like, eh, trend, whatever. They'll care again, like they did in 09 or 03, probably will start caring this year at some point. There's ones where people get downright nasty and angry. Obviously, that's anything value related if you particularly slap on the CAPE label. It's something really bad this year, for some unknown reason on the home country bias, which is really odd to me, because they only specifically apply it to the US. But I'm like, do you think buying all your money in Greek stocks is a good idea? And everyone's like, no, that's stupid. Okay, well, like it's -- but people go crazy on that one. And so I had a fun project for our team the other day. And I said, I'm not exactly --- how to find all these. But I wanted to demonstrate in a thoughtful way, and it's sort of like they do this on one of the late night comedy shows. But I said I wanted to find all the really hateful, nasty, troll, public and private comments that people have made to me over the past decade. And I said I know I could find some of them. Like you just Googled Meb Faber, fraud, scam, whatever, like the 10 keywords, and we started to find some. And I think having done this for long enough and you guys too, being in the public arena, like I have a pretty thick skin and it's pretty funny. I was on TV the other day and someone had said, have fun losing money and your hairline. And so I said, I was like I wanted to put these on shirts, and there's some really creative great ones over the years. And I was like, but I can't seem to find some of these. And I was like, ah, I know where they all are. They're in the Bogleheads forum. That's where I can find like**,** a bunch of like, you know, buy and hold investors like how good are, these the nastiest people. I'm like, Twitter's like PG compared to some of these Bogleheads. And so we were trying to write an article about just surviving, not just about investing, but as an entrepreneur too. But there's some really…
Rodrigo:	**01:04:41**	That Boglehead, we get them. Our head of marketing sends us some once in a while. And my first instinct is to get in there guns a blazing and start throwing some truth at them. And then Mike's like, they're Bogleheads, like there's nothing you can do.
Meb:	**01:04:54**	Yeah, *and Peruvianman26* is not going to like hide you. That's not a good avatar. But for some reason the home country bias elicits a lot of crazy ones too. And I don't know why that one in particular is such a hot topic.
Mike:	**01:05:13**	Don't you think it's just a recency bias? I mean, really the tribe becomes more and more tribalistic as they're proven right over longer and longer timeframes. I mean, they're just -- they've been right for so long. And I think that the home country bias in the US is particularly relevant.
Rodrigo:	**01:05:29**	Tell us about home country bias, Mike? If you invest in the S&P 500, your exposure …

Mike:	**01:05:33**	You have all the international exposure, right, yeah.
Rodrigo:	**01:05:36**	Right. That's exactly the same. There is no geographic differences.
Meb:	**01:05:40**	And what I like to say to people, I say your sample size is one out of 45. That is not statistical proof. That's the opposite. Like you just proved my point that investing all your money in these other 44 countries was a terrible idea. And then even the US, like, you look back in history, someone's like something about home country bias not working. I said, let's be clear, it has worked. It just hasn't worked, in the past seven years. It's worked plenty of times in history where the US has been far worse.
Rodrigo:	**01:06:11**	Roughly around every five to seven years, it works for five to seven years.
Meb:	**01:06:15**	I was like you wanted to talk to all the Russians who just, you know, had 95% of their stock exposure in Russia. And you think it's a great idea to put it all there? No, of course not.
Rodrigo:	**01:06:24**	It's crazy that home country bias, Peruvians as well, a tiny, tiny stock market, they have over 90% of their assets in Peruvian stocks, because I guess it's what they know, what they're pitched. Right?
Mike:	**01:06:36**	It's what they drop in on the way to and from home every day. Their friends are working at those companies. Like, how can you not? I mean, it is a really tough thing to fight.
Meb:	**01:06:46**	There's a huge false insecurity and I love talking to people about this. They're like, no, Meb. I understand US stocks. I say okay tell me your top three, John Deere, IBM, Google, whatever it is. I say okay. And this is old Julian Robertson Tiger sort of concept. He's like, all right, who's the CFO? And they're like, what? I don't know the CFO. I'm like, oh, but you really know these stocks that well? Like, what was their cash flow last quarter? What was their shares outstanding? And like, on and on. It's like, it's a very weird, false sense of -- and you're seeing this with all of the high fliers over the past year. It's like half of NASDAQ stocks are down 50% right now. And all these people are like, well, no. But like, I understand telemedicine is the future. TelaDoc or Shopify or on and on like all these stocks. It's a false sense of relation to the product, the business. So you're familiar with the business but you're not familiar with the stock and those two things are absolutely not the same thing as we've learned many times throughout history.
Adam:	**01:07:46**	You're reminding me of an experience with Mike on a panel in New York City for the Ritholtz Group. Oh come on, man. I just love it. I just love it.
Rodrigo:	**01:07:59**	We're never getting invited back again, never have been invited back again.

Adam:	**01:08:01**	It was about investor education or something and the investors need to understand what they own, and Mike just going off on the moderator about how nobody understands anything that they own.
Rodrigo:	**01:08:14**	Nobody understands Coca Cola.
Adam:	**01:08:16**	Coca Cola, what's in a can of Coke and then like basically, all the way back from what's in the can of Coke to like Coke's business model and distribution and value the brand and nobody knows anything, can't be told.
Rodrigo:	**01:08:29**	Before you use a toilet. You have to understand how the toilet works. Do you know how a toilet works? Yeah, maybe certainly, the audience seemed to love it. I don't know about the organizers.
Meb:	**01:08:42**	By the way, Rob, Peru's having a pretty good stock market. I just looked it up. They're actually having a decent return this year, commodity based of course.
Rodrigo:	**01:08:52**	I know in, so 08 happens, do pretty well, you know, up because of all the stuff that we do. I have some Peruvian clients that were down 75 plus percent. 09 happens, I think I do like 9%. Peru does 169% because the commodity bull market cycle had not finished, right. Could you imagine the vitriol that I got from those Peruvian clients? How could you have possibly underperformed so much? And it happened that in 2009, the best performing global market was the Peruvian stock market. Right? So, I've told them my brothers and everybody that where like the new President comes in, we've had like seven Presidents in the last 18 months and nothing happens, because the constitution that Fujimori created at the hands of the United States has actually held up. Like it's actually strong enough so that people want to continue to do business. I've said to them, it doesn't matter what your President -- do not get your money out of Peru, you are going to make a killing this decade. He's going to make a killing and it's worked out pretty nicely. You know, the buy and hold thing, I think the Paul Nielsen, comment, the funniest thing is that home country bias, Boglehead is a buy and hold everything, but only US, right? This idea that buy and hold is buying the S&P 500 or the Vanguard 2500 stocks. It seems like a passive long … investment. But it's a massive bet, right? This is a massive single bet, it's just outrageous.
Adam:	**01:10:26**	It's not just home country bias though, also equity bias too, right? I want to be passive, which means I'm going to own the S&P 500, which means I'm not going to own all of the myriad other global asset classes that are available to me. And if you believe in passive, if you believe in efficient markets, and the average investor, just averaging every investor's view, it's going to have the optimal portfolio. But you're going to concentrate all your money in the S&P 500. That's

not a passive bet, it's a highly concentrated bet. But no matter how often you repeat that, that just doesn't seem to sink in.

What the Future Holds

Rodrigo: **01:11:01** I got a question for you, Meb. You talked about how everybody was into trend in 09. What does the average advisor portfolio look like in 2032, in your opinion? Right now what I'm seeing is like 80/20, and the 20 is corporate bonds.

Meb: **01:11:21** I don't -- no different than what we have today, probably. I think I love my advisors. But often if you go to these institutional conferences, you see the *flavor du jour* every couple years, doesn't matter if it's MLPs. Doesn't matter if it's reverse Canadian -- Chinese companies, doesn't matter if it's energy. Now, probably you'll see the liquid alts and the trend, start to get some curiosity. Those are kind of rinse/repeat. And that's in sort of like the 20% over here bucket that people get attracted to and barf up after they do poorly for a few years. The ballast of like a home bias portfolio, I think -- I cannot fathom it would be any different.

The trend following part to me is always funny, because if you remove someone's bias in any of the trend following indexes over time and blind the, what actually has the biggest benefit to a traditional portfolio, it's almost universally always trend in some form. Right? You can add some -- I mean, depends on what the starting point is. Like, if you have no real assets, which is a trend by the way that almost no investors, you guys, Canadian's different. Almost no American investors have real asset exposure on our Twitter polls, like we asked, and no one does. You know? That's clearly a mistake, particularly look at the last year. So, there's things it's like this old, you know, will it go into the optimizer? Will it help? You know, trend clearly does, you just have to deal with like the suck, same as any asset, right, that's the thing. So, anyway. I don't think it's any different, I can't imagine. Tell me what happened and from 2030 to 2032, and then I'll tell you what they own but …

Adam: **01:13:31** When you say trend, Meb, I think a lot of people still sort of think of trend as being like, I'm a trend follower by following a 200 moving average strategy on the S&P, right, but that's not really what you're referring to, right?

Meb: **01:13:45** You know, I think what most -- I would say when most people think about it, I would actually assume they thought they think managed futures. I could be wrong. You know, it's like saying value, there's like, obviously, an emerging markets value fund is different from a DFA. USA fund is different from a valuation ensemble which is different from a dividend fund, right? Like, even the dividend funds are different. They're cousins. And to me, it's the decision of like, are you making this broad decision in the first place, okay, then what markets?

Okay. And then is it long/short, etc. You know, I think in many cases of the just broad trend, like you want the beta of trend following.

And I think, and we've said this a lot. To a traditional portfolio, that's long only, a long/short style managed futures to me is probably the best complement because it's probably the least correlated, on an absolute basis for a long period, if you're going to do trend on like the whole portfolio, for me, it's long/flat because shorting, I mean, look, shorting is great, but it's tough, most of the -- even the managed futures most of the profit over time tends to be from the long side. But it just depends what you're starting with. If you're starting from scratch, I'll take long/flat, that's my desert island portfolio. Like, to me a trend, long/flat, is better. But if you start with a traditional portfolio, which is almost what everyone does, long/short is a better complement to that.

Rodrigo: **01:15:22** Because in essence, the short will end up starting to flatten you out, flatten out …

Meb: **01:15:27** It diversifies the other stuff, right? Like, it's a very specific worldview of a traditional portfolio 60/40. Like, you guys obviously start to gravitate towards a more thoughtful approach to that, including real assets, including some vol targeting ideas. But then, to me, the 60/40 hedge. Because like, let's look at this year. Like, so many investors assume bonds are going to help, no matter what. And then you have this environment where you have rising inflation, so what really helps there? Well, commodities help, real assets, REITs, TIPS, but being short those assets also helps on the managed future side. So, the problem with managed futures often, to me is like, again, I want the beta of it, like I don't even really care about specific manager so much. I would just like to own some general … signal. Yeah.

Mike: **01:16:26** I mean, we've experienced pretty significant profits from shorting bonds as an example of a way to fight inflation. And that's a misunderstood concept. And I think it's tough, right? So, how do you continue to have a position in your portfolio that shorts bonds when you started with a rate of 20%, call it in 1982, and it went to zero? That's a pretty sharp stick in your eye for 47 years.

Meb: **01:16:53** A good example like the Japanese trades, the yen seems to be cratering currently. So, if you guys want to go skiing in Japan next year, talk to me because it's like, 20% off sale.

Rodrigo: **01:17:04** That's a great idea. That's the next FinTwit conference.

Mike: **01:17:08** When do you have to book that? When do we have to make a plan…

Meb: **01:17:11** Summertime probably. Fall time even. Awesome trip, but we should do that. But going back to Antti's book, you guys, when you chatted with him, kind of was my prep material. And so but I looked in the book, I got the one chart, and I was like, oh, man, this chart is beautiful, because it shows a good example of a widely held belief, which is, bonds are always going to help stocks in a downturn, is not guaranteed, right? And you look at plenty of times in history, a lot of asset classes, like they help on average, but sometimes like you cannot count on it to help. And so, as you mentioned, like being able to short bonds, and I think managed futures are probably universally having a monster year this year. I don't know that. But I assume.

Adam: 01:18:04 Yep.

Meb: 01:18:05 You know, being able to short in that environment is a big, keeping you in the game, sort of idea.

Adam: 01:18:12 Yeah. I mean, I think if you were to look across managed futures, like if just looking at our managed futures about -- we have the same P&L from our short bond trades as we do from our long energy trades, right? Like that's how important the short bond component has been for trend followers and managed futures funds this year. And I think that that is largely unrecognized. Everyone's like I want to get access to commodities. But being able to short things that are like functionally and mechanically going to do badly in an inflationary environment is …

Mike: 01:18:45 The funny thing is too, Adam, though, how some long term, long, long lived trend followers are talking about how that doesn't make money ever. And that they've

Meb: 01:18:56 What doesn't make money ever?

Mike: 01:18:59 Shorting bonds, because whatever roll yield, etc. I think Niederhoffer is famous for saying that.

Adam: 01:19:03 Well, no, no. The reality is, if you go back through, you know, we've published on this, right? If you go back to 1990, and you examine the attribution of P&L for bonds, all of the P&L, like 125% of the P&L comes from the long side because the short side of a trend following bond strategy is negatively accreted but has negative returns, right?

Rodrigo: 01:19:25 Moreover, I mean, the bear markets that have existed historically have not been -- CTAs have not made most of the money from shorting equities. They've made most of their money from going long treasuries, right? So, yeah, in an environment of benign inflation and bear markets you're going to see treasuries be the safe haven. Try to do that in the 70s. Try to go long bonds to protect against bear markets in the 1970s. You're done. Try do it today.

Meb:	**01:19:53**	Which is why it's so important to be asset class agnostic. It's easy to say, I think hard for a lot of people to do, and you guys do it, probably more than anybody. But so many people, they just get -- they adhere to one environment. And that environment changes, like you're up Schitt's Creek and like what do you -- like, that's a terrible place to be. And I've been saying this for years, I said -- people say what keeps you up at night? I said, nothing. I sleep fine. However, if I was an allocator, and a lot of traditional allocators, the nightmare scenario for them is a big fat US stock market dump and bonds dump too. In 2022, this is happening now. Whether it gets worse or whether it gets better, who knows. But that is a nightmare scenario for them, because what they've done over the past five years, and they said, well, we know we can't get returns from stocks and bonds, so you know what? We're going to buy private equity. Well, guess what? That's just like one and a half times leveraged stock. So, you just made the problem worse. And this has been their savior. And it's going to …
Mike:	**01:20:59**	But we're not marking to market there, though. I mean, I think we're in the -- I think we're in the beginning stages of a much longer sort of potentiality, which is going to force them to mark it to market. But thus far, the marking to market is the thing that saves them, that they can't look at it, and they don't report it, it doesn't affect the funding rates. Isn't that why they're doing it?
Rodrigo:	**01:21:20**	But every three years is kind of like when people stick around for, is it the board member of that underlying strategy, right? So, if you can stick around long enough, where you can't mark to market and be blamed on you, then you're in good shape. This is why it's useful, right? The reality is, though, is valuations high, means returns low. It doesn't matter that your volatility is doled out over three years, You should expect a lower rate of return from private equity. And if you're levered one and a half, then you should expect an even lower on the downside. So, that should be the fiduciary responsibility of identifying, like what it's likely to be like in the next three years. Not these cover your ass and keep your job thing that we tend to see, right. It's unfortunate, but you're right, that is the nightmare scenario, the underfunded pension plans that exist out there that are 100% like they are 90% bonds, 10% equity too.
Adam:	**01:22:18**	Well, the pension funds have a bit of a ballast, right, because their discount rates are also rising. So, the value of their liabilities is also shrinking while their assets are shrinking. So, there's a bit of an offset there. Whereas for example, endowments, which have really embraced the private equity and private credit, I mean, look, endowments have been bailed out, because even while EBITDA yields on private equity vintages have continued to decline over the last decade, the cost of capital has declined at the same rate, because rates continued to go down and spreads continued to compress. But I think we're coming into an environment where the EBITDA yields on new deals are crappy, and the cost of

capital is much, much higher. And so the expected return on new vintages is going to be… I think, a lot of endowments and institutions who have been gravitating towards private equity are in for a bit of a rude awakening over the next five to seven years. But everyone's got to learn the hard way.

Rodrigo: **01:23:20** Yeah, I think it went from 5X EBITDA to 12% EBITDA in last five years, 12 times EBITDA. But Meb, don't we have -- aren't hedge funds expected to return between 15 and 20%, over the recent horizon from all pension plans?

Meb: **01:23:40** There's a great Charlie Munger quote on that where basically, he's like talking to somebody and they're like, 20%, he's like, he knows that's impossible, but he has to claim 20% plus expected returns, because no one will buy the fund otherwise, right? Like, it's this classic game of just like, you know you're not going to do that. But you have to say it, otherwise, no one will invest. Like, I do a lot of angel investing. And I see some of the claims these guys make and I'm just like, man, you better hope the SEC never digs into these because what you are claiming is just full cringe, right? Like this is not something you should be saying on paper.

Adam: **01:24:25** Mike and I witnessed an uncharacteristic moment of truth from a very large Canadian institutional investor. Remember this Mike, five or six years ago, maybe a little longer. And we went to this presentation from the CIO of the largest municipal pension plan in Canada. And she described their RFP process. And she said, first of all, they sourced their providers, their advisors from the board, who suggested like nine different potential advisors. Red flags everywhere, right? But anyways, so they went out to these nine different advisors with, you know, they said they needed 5% above inflation, in perpetuity, and eight of the nine advisors came back and said, we cannot propose a portfolio that meets your constraints that will achieve that 5% above inflation, right? One of them came back and said, yep, we have -- here's the portfolio we propose that we think will meet that requirement. Who do you think the plan went with?

Meb: **01:25:28** There's a lesson there you guys. This is why none of us are managing 50 billion.

Rodrigo: **01:25:36** We got to get out of our own way. Well, Meb, what else are you working on these days? You're still doing the …

On the Radar

Mike: **01:25:51** I was going to say, Meb, what's the thing you're going to write about next, like … was? Like, what's on the radar now as being absolute dog poo that you're like, well, this has got to be attractive.

Meb: **01:26:00**

Okay, well, you just asked three separate questions, but I'll answer the last one. I'll answer the last one carefully, because obviously, we're a fund manager, but I'm not going to speak to any specific fund. This is just conceptually. If you're looking at emerging markets, and particularly value in emerging markets, Russia was obviously a giant crater for many of these funds. Now, the interesting part of this is all those funds have now written down those stocks to zero. So, if you buy an ETF in an emerging market fund, and 95% of emerging market funds held Russian stocks, those, for the ETF are usually I guess, and I'm assuming for the mutual funds too, they're valuing those at zero.

Well, as we know anything about probabilities, if you had to gameplan the Russian stock market outcome, there's I don't know, let's call it two thirds probability that this resolves over the next year, Russian stocks start trading in some capacity, maybe it's 50% chance, I'm not sure. And they're worth, I don't know, 20 cents on the dollar, 50 cents on the dollar, maybe, I'm not sure. There's a minority chance, 10-20% that the situation gets worse. And those stocks are forever at zeros, they're just gone. Just like they were in 1918, during the Bolshevik Revolution, Russian stocks went to zero.

There's also a chance, 10, prediction markets have it at 20. I think that's too high, but that there's regime change, in which case those stocks are not only worth par. They're probably worth more than par, because they were trading at extremely low valuations prior to this. Already. So, it could be a par. In a par, you know, from where they -- they're marked as zero. But even if they were marked at 10 cents, it would be a 10 bagger on those stocks, maybe 20. My point being, and you have to be agnostic as to political yada, yada, you're getting a free call option in any emerging market fund that owns those stocks. Now, some may have only own 1% of their NAV prior to this whole shebang, some may have held 10%.

Now, I'm not talking about the ones that are all in because I have no idea how those actually would trade because it got halted. But the ones that are freely trading is an interesting opportunity to pick up something that has an embedded free call option that I think is interesting. And emerging market value already is cheap. A lot of Eastern Europe, a lot of the rest of the world, Latin America, some of Asia is sprinkled in there, too. I think that's an interesting opportunity for the next 5-10 years. No idea what's going to happen in the next year. And interesting if you told most listeners that the ruble is actually higher than where it was before the invasion, they would say, huh, really? That's interesting.

But there's the old Rockefeller quote and again, this is an insensitive quote, but we're speaking specifically just the markets in history. You know, the quote was sell on the sound of cannons, buy on the sound of -- No, backwards, sorry. *Buy on the sound of cannons, sell on the sound of trumpets.* But to me, look, I'm an optimist, pacifist, I want this to resolve, hopefully it will, in a meaningful scenario, probably won't. But there is a scenario that you know, the Russian people, the Russian companies, which are not the administration, ditto, for every shit government in the world, right? So, there's an opportunity there for emerging markets, I think, that's interesting for long term investors. But that wasn't the second question that was just the last question.

The second question is, what am I writing and thinking about? There's two books I really want to put together. And I hate writing books, so it's complicated. Now that we're at a *sell in May and go away* for the summer, I'm looking forward to a sabbatical for the next five months of just not watching markets. There's one book where I'm really motivated to try to see if we could frame getting everyone to be an investor, particularly the younger cohort, but in the right way, and not the Robinhood way, which I think is a company that history will not judge kindly, by the way. But to try to educate people to all be investors, right. And so I've been trying to think of a good way to connect with people to drive home this message.

And one of the best ways I've been thinking of is saying, hey, look at all these famous celebrities, athletes, and we also include regular Joe's. So, George Clooney, Shaq, the Williams sisters, Ashton Kutcher, on and on and on. They made decent money at their day job, but they made the big money, Dre, 50 cent, in business, right. Whether it's tequila, headphones, clothing, on and on. And so this is kind of this instructive book, I think that is thoughtful. That's done. And that tentative cut title is like called *Be The Owner*, where you just like, you don't have to go start an entrepreneurship venture. It could be like, hey, Michael Jordan got this amazing Nike endorsement deal.

Well, you're probably not going to get an endorsement deal. But what if you bought Nike stock, at that time, how would it have been -- I don't know. Anyway. That's maybe a summer project. And there's a kind of picture book version of that I want to do. But again, these -- I would have liked to have done the last two summers and got a pandemic and a whatever we have coming down the pike.

Rodrigo: 01:32:03 Now, if somebody buys the book, will you be able to buy a Lambo in six months or is not that not in the cards for …

Meb: 01:32:09 My friends who have Lambos all say, it's like the most uncomfortable car. They're like, no way do I enjoy driving this car. My favorite -- and I like cars. I'm kind of a car guy. Shitty cars like old SUVs. My favorite was -- like my first car was a 1980s Land Cruiser. I had an 1960s before child. But I love, Morgan Housel in his book, which is -- he could buy one because he's sold a million copies. I give all mine away. So, that's my problem is we've given away, I don't know if it's a million yet, but it's certainly hundreds of thousands.

		He had a great analogy about cars where he said, you know, the thing about being a millionaire and about people who want to get rich, is he's like he's like used to be a valet, and he's like, everyone sees the Lambo pull up. You go down in LA, you see these cars everywhere. Crazy. I was like getting coffee, and I saw the ugliest car I've ever -- It was like a Rolls Royce SUV. And I was like, that is the ugliest thing. Anyway.
Mike:	**01:33:14**	I've seen those.
Meb:	**01:33:15**	But everyone -- Sorry if you guys have one in the Cayman. People say they look at the car, pull up to the valet and they're like, "Wow, amazing. Look at that Lambo." And then person gets out and walks away. But his analogy, this is Morgan, I'm paraphrasing. He's like no one, I mean, they look at the person and get out and like is that Drake? No, okay. They never look at the person and say I want to be that person. They say I want to be that person in the car. Right? But then the person in the car is thinking everyone out there is looking at me and wants to be me. And it's not it's not a connect, it's a disconnect. Right? And so it's just when you think about money and having money, it's like everyone wants to spend a million dollars because they think it's going to give them this sort of aura. When in reality people are not looking at them.
Rodrigo:	**01:34:05**	Care about the money, not the person. Yeah.
Meb:	**01:34:06**	Right. So, anyway. I like the experience, so I'll go with you guys to Vegas if you want to go drive the cars around the track for like 500 bucks, but the one you really want to do there is not the supercars it's the Baja truck where you launch off these giant jumps and it is so much fun.
Rodrigo:	**01:34:27**	What's a Baja truck?
Mike:	**01:34:27**	What?
Meb:	**01:34:32**	It's like the dune buggy, you know.
Mike:	**01:34:35**	They're like the super-steroided-up dune buggies, like the razor, the raptor, razors, like, like I mean super-steroided-up.
Rodrigo:	**01:34:44**	It has a frame though. A cage.
Mike:	**01:34:50**	At my size there are no sports cars for me, so I'm with you, Meb. Big ol' like 19 …
Meb:	**01:34:57**	You can't fit in them anyway. You got to be like Shaq. When Shaq had his car, he sat in the backseat, I forget which one. They just removed the front seat altogether. So, he just sat where the backseat would have been.

Mike:	**01:35:07**	I love the old, the 1972 Ford Bronco two door. Take the roof off, that thing is a masterpiece.
Meb:	**01:35:14**	I had a reservation for the new Bronco and actually really liked it. Just not practical in LA. That thing drive -- if you guys have driven one, it's pretty fun, but it's like it's a truck. Like you want that in Toronto or Calgary. You don't want it in …
Mike:	**01:35:32**	The new Bronco's nice. I saw them -- you have to get the really nice one. And the lesser versions are not quite as trucky.
Meb:	**01:35:39**	No. The lesser version's like a Rav4. Not a Rav4. What's the …
Mike:	**01:35:43**	Yeah, sort of like that. And CRV… yeah, like the sort of -- yeah.
Rodrigo:	**01:35:49**	That's a Philbrick truck if I've ever seen one. That is right up your alley.
Mike:	**01:35:53**	A good Ford truck too drives, like a truck drives, like a -- Anyway.
Rodrigo:	**01:35:57**	I've reserved my Cybertruck.
Adam:	**01:36:00**	That would be quite a change from the Leaf, mate.
Rodrigo:	**01:36:05**	That's right. From that -- I actually like I'm shocked because everybody's like, oh my God, you're going to buy a Cybertruck. That's super expensive. They're 40 grand. You get a Cybertruck at 40. I'm in.
Meb:	**01:36:19**	You see the Ford ones now they like power your house. You can like power your house for three days.
Rodrigo:	**01:36:25**	That's the same thing for Tesla. I bought, so I reserved a Ford F-150 Lightning, because it's also like 40 grand. But then I saw the Cybertruck. And I'm like, this Cybertruck crushes the Ford F-150 in every respect. Like in every element -- you just go down the list, it's nowhere close. I'd probably get the Ford first.
Mike:	**01:36:44**	Yeah, but I kind of feel like Elon … have the same tendency to elaborate on their -- Tesla's stuff does not quite match its claim.
Rodrigo:	**01:36:57**	You shut your blasphemous mouth. Okay? Just take it back, my friend. All right. And then you know what, I'll give you the Ford F-150 for free and then we can do a little drag racing. There's a drag racing -- Meb, there's a drag racing that just opened up on island and I want you to be here when Mike and I go head to head.
Meb:	**01:37:22**	Well, it's LA so there's a drag queen bingo here and you guys come visit me and we'll take you to that. Slightly different than the drag racing. The drag queen

racing we might have. But I tell you, one of my least favorite things, people like the phrasing they love to use on stocks, is like in Tesla. Look I own a Tesla but was, hey, I made so much money on Tesla stock like it paid for the car, like that phrasing. And I actually wanted to be like, as a Tesla owner, be like I shorted the stock, I made so much money on a short that it pays for this -- like, you know, never hears anyone say the other …, you know what? I lost so much money on the stock I have to sell my car, right? They never say that. So, anyway.

Rodrigo: **01:38:08** On that note, Meb, you've been very kind with your time. As always, very entertaining stories. Where can we find you? I think people already know but …

Meb: **01:38:18** You can't. I'm homeless. So, you can find me looking like the dude just wandering around Los Angeles. And if you see me, wave at me, it might be a homeless person, it might be me.

Adam: **01:38:27** Buy you a burger and a coffee.

Meb: **01:38:32** Yeah, man. There's not too many Meb's out there. Although I was laughing this morning, I was going to tweet this -- I was going to tweet this where I said you can only use so much market history. Like, as a stats person, there's only so much in the past. Like, we joke about how much, 120 years but in reality, it's actually not that much. And I said based on my history, I'm a coffee drinker, I drink coffee every day. It's a beloved addiction of mine, but I say every time I go get coffee, my name is Meb, M-E-B, I even spell it, I've had probably 100 variants. And usually it's Ben or it's Mel, you know, when they call it out. And I said today despite my history of 20 years of coffee drinking, I got an entirely new one and it was Meve, M-E-V-E. You can see it on my coffee here. I was so happy about it. So, I get excited when they come up with a new one. Those little pleasures in life. I don't remember what we were talking about. Oh. What's that?

Rodrigo: **01:39:38** Where we can find you?

Meb: **01:39:40** You can find me, hopefully, in the Caymans in the coming months sabbatical and finishing these books, driving around, drag racing. In the meantime, I'll be in Los Angeles, Manhattan Beach. My day job is running Cambria funds. My side job is *The Idea Farm*. You can watch me --

Adam: **01:40:03** Where can people sign up for that to get the free …

Meb: **01:40:06** Ideafarm.com Yeah, simple.

Mike: **01:40:08** It's free now. When is it actually free? Is a free now or Sunday or when is it actually?

Meb:	**01:40:12**	Free as of today. Yeah. I just saved -- This is a $1,500 free call, saved $500 each. And then I, you know, amortize it for the next 10 years. So, really this is like a $20,000 gift you guys.
Mike:	**01:40:24**	Thank you, by the way.
Rodrigo:	**01:40:25**	Talk about hubris.
Meb:	**01:40:27**	Yeah, exactly. Yeah. So, any of those places shoot me an email, Twitter, all those places are good to go.
Adam:	**01:40:38**	And you're one of the few guys that actually picks up the phone for random dudes who want to --
Meb:	**01:40:44**	Do not call me on a FaceTime. I used to have -- Our work office number is very close to what you just said, by the way. It's like off by like one number.
Adam:	**01:41:03**	Why am I not surprised?
Rodrigo:	**01:41:05**	Amazing. Of course you do.
Meb:	**01:41:06**	It's actually 867-5309. Listeners, call me LA area code, 867-5309.
Rodrigo:	**01:41:13**	Is that your brother-in-law or something?
Meb:	**01:41:15**	No one under 40 gets that so … you guys can play it for him after …
Mike:	**01:41:26**	Exactly.
Rodrigo:	**01:41:27**	Awesome. Well, thanks, Meb. Really appreciate your time as per usual. Do get to the Cayman Islands. Let's figure out Japan.
Mike:	**01:41:34**	Let's figure out Japan. I'm in.
Meb:	**01:41:37**	I've got it figured out. You guys just got to go and pay for me and that's it. I'll be your tour guide.
Mike:	**01:41:50**	Just send us the dates. I can't even -- I don't even know if that's -- Can you do that now? I don't know.
Rodrigo:	**01:41:55**	Speak Japanese. Yes. That was legitimate Japanese. I did six months. Okay. And I remember three words.
Adam:	**01:42:05**	Legitimate Japanese verified by Rodrigo Gordillo.
Mike:	**01:42:08**	Exactly. I don't even know. You just got better there, just got better. All right. All the best, Meb.

Meb:	**01:42:16**	Have a great weekend.
Adam:	**01:42:18**	You too, brother. Good luck with your house.