

Twitter Thread by Smart Sync Services



Smart Sync Services

[@SmartSyncServ](#)



25 Big Lessons From The Latest One Percent Show.

Let's Go!

[@safalniveshak](#) [@iancassel](#)

1. What matters the most to Ian?

Reading, writing, researching and networking/relationship. If he ticks all the four boxes regularly, he feels super productive and happy.

2. Learnings he got from his first mentor in the casino.

I. In your lifetime, you will own a dozen great stocks.

II. Bet small until you know that your betting right. Lean towards winners.

III. Everybody gets attracted to the winners.

IV. To win big, be ready to lose small.

V. If you can't build confidence, you won't be able to sell your idea to others.

VI. If you invest for a 2X, you must invest in a stock where the market thinks the stock can be a 3X.

VII. Speak to managements and make yourself likeable.

3. Eight filters for selecting a microccap

Top-Down

i Tailwinds

ii Scarcity

iii Story

iv Undiscovered

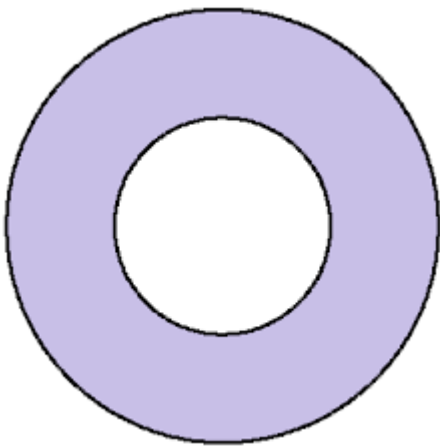
Bottom-up

i Recession-proof business

- ii Balance Sheet strength
- iii Intelligent Fanatic Leaders
- iv Valuation

4. Don't sell microcap stocks when they become smallcaps. Sell them when the story changes.
5. Always look for ideas that can be better than your worst ideas. Ian mentions that he has invested in 60 stocks in the last 10-12 yrs, only 2 out of them he is holding since the start of this process.
6. Macro stuff like inflation, Fed move, Covid, Monkey pox, etc are all distraction. Focus more on finding good businesses.
7. Judge management less on what they say, judge more on what they do.
8. A CEO who has done it before has higher odds of doing it again. Find those CEOs
9. Ex-employees or people around the leaders can be of more value to you in your research than the CEO.
10. Always focus on reducing the range of outcomes in investing. -50% to 500% over a 5-yr period is much better than 0% to 1000%.
11. On Circle of Competition

Learning Circle would be a much bigger Circle than your investing Circle. Key is that both the circles should expand.



12. Investing is an art. Ian expects himself to keep growing in investing and hence should be doing something different 5 years from now than what he is doing now.

13. 2 fav quotes:

1. "If you are extremely confident, taking a loss doesn't bother you."-Stanley Druckenmiller.
2. "Take your losses quickly, and your profits slowly because your objective is to not only be right but to make big money

when you are right."- William O Neil

14. Mistakes & Lessons

Avoid

- i. Just another quarter traps: you keep waiting for that one quarter where you will see that growth. But it almost never comes.
- ii. The golden goose stops laying the eggs: you must watch the video (1 hr 20th sec) to know what Ian means here.

15. Don't average down on a business when there is a bad quarter. Because 90% of the time, it going to be followed by another bad quarter.

16. You over analyze when stocks go down. You under-analyze when stocks go up. Your job is to stay neutral and rational. Check out the 1 hr 26th minute for the "grass" analogy to understand this point better.

17. Advice for new investors

- i Journal frequently about your investing thoughts & refer them regularly.
- ii Network with a closed group of other investors & test your ideas with them
- iii Find a mentor. Not WB or CM but someone who you want to be in the next 5 or 10 yrs.

18. The best part of microcap investing is that there are 1000s of microcap stocks yet to be discovered. The institutions can't buy them. It can only be bought by a smart retail investor.

19. Rules to follow if you're starting up:

- i. Accounting is the language of business. Learn it.
- ii. Focus on A grade management
- iii. Read the message boards (he means valuepickr in India).
- iv. Invest your own money
- v. Learn from your mistakes.

20. Three common advice which Ian doesn't agree with at all.

- i "You never go broke taking a profit."
- ii "Sell half when the stocks double"
- iii "Buy low, sell high"

21. Two main reasons to sell a stock

i. The business evolves away from the original thesis

ii You find an opportunity which is better than your worst stock in the portfolio.

22. Book Reco

1. The Emotionally Intelligent Investor
2. Golf is not a game of perfect
3. The Great Beanie Baby Bubble
4. Lessons from century club companies
5. What girls need
6. Open: An autobiography on Andre Agassi
7. Piranasi
8. Soul in the Game

23. The book Ian would keep for himself:

Free Capital

24.

Best advice: Never take advice from people who are not happy people.

Worst advice: Just borrow and pay it back

25. A life well lived:

The kind of impact you can have on your family. If your grand kids can tell good stories about you to their grand kids that's a life well lived.

That's it.

Here's the link to the amazing conversation. Go watch it.

<https://t.co/0LIUuApaDX>

Investing is also about mental toughness.

You can see that tough ■ attribute in Ian.

For the whole 2 hour discussion, he was standing.

Not one break.