

Twitter Thread by Matt Lasky



Matt Lasky

[@MattLasky](#)



1/n) Below is tweet storm of my journey into public market investing/trading, how I learned, and a thank you to those who have helped (direct & indirect) along the way:

It was 3 years ago just before Easter we were on our way to Amsterdam for 10 days (it was a work trip for my

2/n) wife, I invited myself). During the days while she had work and I was working remote, I began my quest to learn about public market investing. Reason is, majority of net worth at the time had been tied up in Commercial Real Estate (co-investing in our investments for my “day

3/n) job”). I felt valuations were beginning to get frothy and wanted diversification/liquidity for the next real estate cycle. Enter reading Security Analysis. Value intuitively made sense. This led me to [@PrestonPysh](#) [@stig_brodersen](#) , which led me to [@Greenbackd](#) work in Deep

4/n) Value. Quant & testing immediately made sense to me. I've always been a process guy at everything I've ever excelled in. “Less being more” and one metric that tested well made sense. Shortly found Greenblatt’s books & after seeing his returns I was astonished. 2017 was a

5/n) year I implemented an Acquirer’s Multiple based value strategy and thanks to FCAU, had a great year beating SPY.

During this time, I started listening to [@MebFaber](#) podcast and learning more about systems trading and trend. In stark contrast with value, I was wrestling

6/n) “chasing price,” but the data was robust. Then I stumbled upon [@Covel](#) book and my paradigm began shifting. The robustness of data and success of trend followers of the past was great, plus a compliment to value. It also solved one of my main value complaints of not really

7/n) having “exit” points for value and relying on mean reversion. They were great as a pair. I began listening to all the episodes of [@TopTradersLive](#) and learning what I could about trend.

Somewhere in there through the podcast and reading “Thinking Fast & Slow” and [@AnnieDuke](#)

8/n) “Thinking In Bets” were books I read that immediately resonated. Process over outcome has been a mantra in my former competitive sports life, current fitness/diet life, and professionally as an entrepreneur and investor. I knew I had to be a rules-based investor, systematic

9/n) to the fullest extent. Then the magic happened, I had many dialogues with a guy I met online who I knew had done similar real estate deals to myself. We’d both done well, regularly doubling our money in 3-5 years in CRE, just to find out he traded volatility (vix,tvix,uvxy).

10/n) I asked a probing question as to “why” when you do so well in real estate and you’re classically trained in finance, the returns must be far greater. After auditing his investment history, my jaw about hit the floor and I was determined to learn everything I could about

11/n) trading and volatility (much of it with him pointing me in the right direction, an eternal thank you).

As a result, I developed a mindset that we’re all trading volatility, in every asset class, & got philosophically okay with trading it in its purest form. You’re either

12/n) long vol (trend following) or short vol (mean reversion). In 2018 all I traded was vol linked etfs/etns systematically and eeked out the year with a slight gain (felt great given that 2018 the “volpocalypse” happened and many short vol traders were wiped out). This is where

13/n) things really got interesting. From the help of people like [@WayneHimelsein](#) , [@profplum99](#), & [@ArtemisVol](#) I was able to dive deeper into options and long vol. This fit my convex payout worldview greatly. Being able to use options and a model on the underlying that led to

14/n) convex payouts leads to a “duel convexity” of sorts via gamma and vega growth when expressed as an options trade. [@ArtemisVol](#) piece on the dragon portfolio helped shatter a ton of paradigms I had on asset performance and correlations over time. Keep in mind since 2017, the

15/n) data and my general sentiment was we were late cycle, so I was feverishly exploring for more letting data guide me. For instance, stocks/bonds are only in recent history a good diversifier, not throughout all of history when they’re more often correlated than not. I knew I

16/n) needed some volatility-based trading system that was robust on multiple asset classes.

This led me to where I am today with the help of the above and [@KeithMcCullough](#) [@Hedgeye](#) [@RaoulGMI](#) I’ve been able to expand my toolkit to include assets outside of equities on both the

17/n) long and short side. After a 2019 where I largely outperformed SPY by using my vol system and applying it to a more diverse range of equities, 2020’s gains are almost purely from using that systematic overlay on gold and bonds (tlt/ief/edv). Throughout my journey there’s

18/n) been many bumps, some fat fingered trades, and downright stupidity. The best example I have is that I was long TLT calls beginning on 2/12 in size. On 3/6 I sold a bunch of calls OTM that were "far" for some extra yield and sold beyond what I had covered. I proceeded to get

19/n) run over and lose money despite seeing the multi standard deviation move in TLT for which I was positioned. I picked up pennies in front of a steamroller on my long convexity trade that did exactly what I thought it would, and got steam rolled. That trade alone, if I didn't

20/n) do what I did, would have put me up 53% on my whole portfolio for the year. I share this to let you all out there know that you'll make mistakes and you'll learn, but the key is to have risk management in place and never risk ruin.

21/n) Thank you to all tagged in this for aiding my journey, to those I forgot, and a few honorable mentions below who have podcasts or great work that have aided in my thinking:

[@KYRRadio](#)

[@MutinyFund](#)

[@patrick_oshag](#)

[@jposhaughnessy](#)

[@VolatilityQ](#)

[@kerberos007](#)

[@ZeContrarian7](#)