

Twitter Thread by Brian Feroldi

Brian Feroldi

@BrianFeroldi



1/ My most popular tweets of 2020 by month (thread)

January:

A reminder of @morganhouse cash strategy.

For every \$1,000 in cash:

More: ■■■■■■■■■■

Market falls by this much	I invest this much	Historical frequency
10%	\$100	Every 11 months
15%	\$220	Every 24 months
20%	\$300	Every four years
30%	\$130	Every decade
40%	\$125	Every few decades
50%	\$125	2-3 times per century

2/ February

If you've truly found the next \$AMZN, \$AAPL, or \$NFLX and can hold for years, it's nearly impossible to overpay.

But finding them is hard.

3/ March

Millennials have seen tech crash, 2008, and now #COVID19

I'm worried that many of them will swear off the stock market -- the greatest wealth-building device ever -- for life.

4/ April

Want to see the checklists used by

- Buffet
- Dalio
- Fischer
- Graham
- Greenblatt
- Klarman
- Marks
- Munger

and more?

<https://t.co/lrR1Fwe2WE>

5/ May

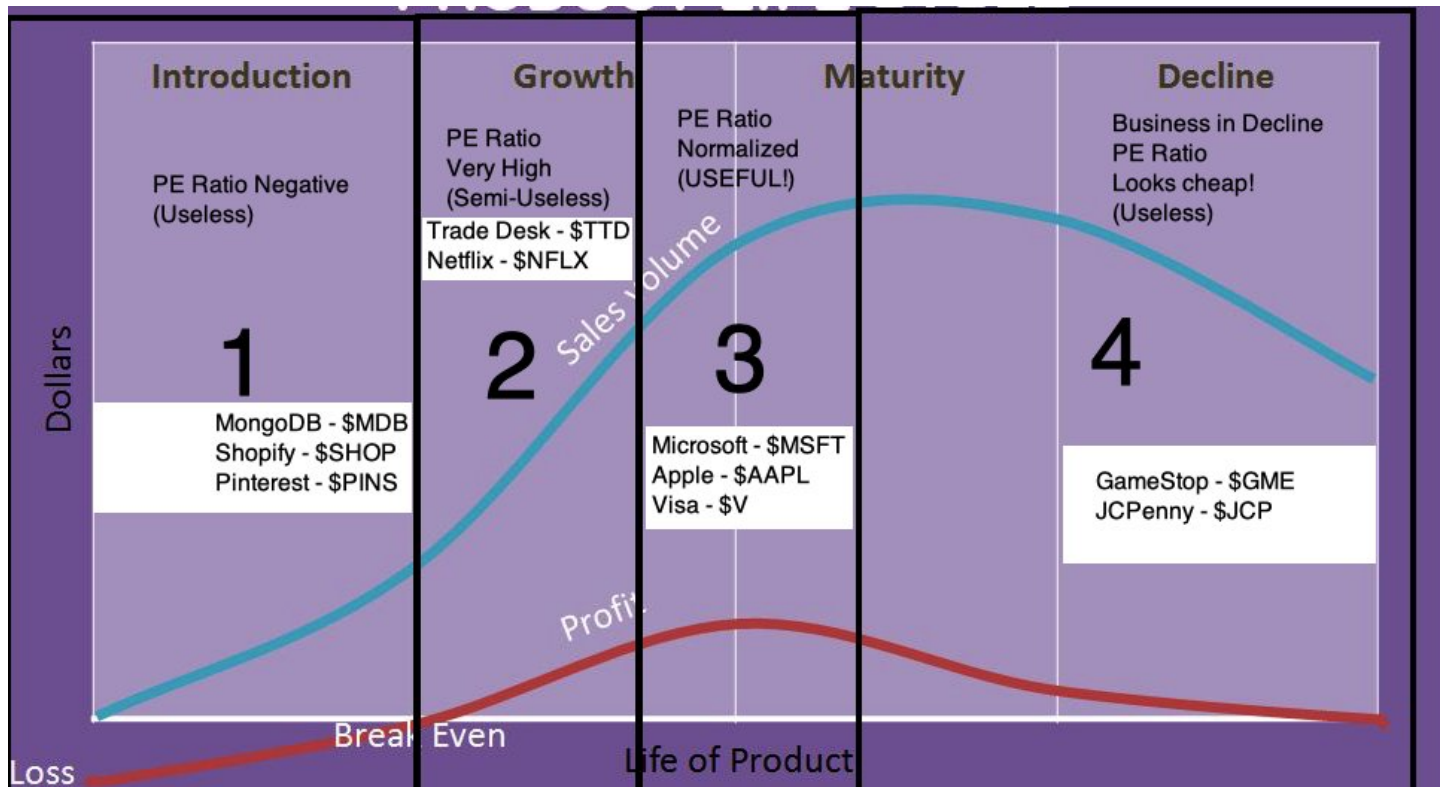
When the P/E ratio is:

Useless (Stage 1, 4) - \$MDB, \$SHOP, \$PINS, \$GME, \$JCP

Semi-useful (Stage 2) - \$TTD, \$NFLX

Useful! (Stage 3) - \$MSFT, \$AAPL, \$V

In determining valuation



6/ June

Thread on the presentation that I give at my kid's school about the stock market

<https://t.co/Qf1SQxiEQ3>

This school year, I lectured at my kid's school

I taught 2nd - 5th grade about investing/money

11 classes/250 kids.

My goal was to maximize ENGAGEMENT, so I made it as FUN as possible @themotleyfool has taught me that headlines matter, hence title :)

Details below: \U0001f447\U0001f447\U0001f447 pic.twitter.com/BYktP1NDUm

— Brian Feroldi (@BrianFeroldi) June 13, 2020

7/ July

Amazing slide from @socialcapital on how \$AMZN gradually turned all of its major costs into sources of revenue

This is beyond brilliant

► ...turn every major cost into a source of revenue...

2005 Income Statement

(in millions, except per share data)

	Year Ended December 31,	
	2005	
Net Sales	\$	8,490
Product Costs		6,212
Shipping Costs		239
Gross Profit	\$	2,039
Operating Expenses:		
Fulfillment	\$	522
Technology & Content		406
Marketing		192
Payment Processing		207
General & Administrative		146
Income from Operations	\$	566

2015 Business Lines



8/ August

Warren Buffett is worth \$90 billion

\$89.7 billion of that was generated after he turned 50

9/ September

Characteristics of stocks with 10x potential:

- 1) Market cap <\$5 billion
- 2) Building a moat that could be wide eventually
- 3) Huge TAM
- 4) Recurring revenue
- 5) Stable/expanding margins
- 6) Great management team

10/ October

Invest in:

Your skills

Your home

Your family

Real Estate

Your health

Your network

Your community

The stock market

Your relationships

Your balance sheet

11/ November

I updated my "Do I Invest?" framework to include \$SNOW, \$LMND, \$FSLY, \$ADSK, \$ETSY, \$ZS, \$NNOX

Investment Stage	Risk	Profits?	Return Potential	Do I Invest?	Company Examples
1. Business Formation	Max	No	200x+	No	
2. Product Development	Max	No	200x+	No	\$NTLA, \$EDIT, \$NNOX
3. Product Launch	Very High	No	100x+	No	\$SPCE, \$NKLA
4. Product Market Fit?	Very High	No	100x+	No	
5. Huge Revenue Growth	High	No	20x+	<1%	\$GH, \$TMDX, \$DKNG
6. Reinvestment	Med-High	No	20x+	<1%	\$SNOW, \$LMND, \$FSLY
7. Margin Expansion	Medium	Close	10x+	1% - 2%	\$SHOP, \$ROKU, \$BYND
8. Reach Profitability!	Med-Low	Yes	10x+	2% - 4%	\$PINS, \$NVCR, \$TSLA
9. Huge Profit Growth	Med-Low	Yes	10x+	2% - 4%	\$ADSK, \$ETSY, \$ZS
10. Market Maturity	Low	Yes	2x \$SPY	4% to 10%	\$MSFT, \$FB, \$SBUX
11. Dividend / buyback	Low	Yes	1.5x \$SPY	Start to Exit	\$BKNG, \$AAPL
12. Dividend Aristocrat	Low	Yes	1.25x \$SPY	Full Exit	\$VZ, \$ECL, \$MMM

12/ December

Personal finance should be a mandatory curriculum in middle school and high school