No, I Am Not Making This Up About Charlie Munger

Jeff Matthews
Ram Partners LP
“If you think you know more than you do you’re asking for a lot of trouble.”

–2013
Munger on... The Secret to Berkshire

“The secret to Berkshire is we are good at ignorance removal. The good news is we have a lot of ignorance left to remove.” —2013
“I think somebody has to be an exemplar for not grabbing all you can.”
—2011
Munger on...
Buying Sports Teams

“Whatever Warren likes about sports teams, I like it less.” —2014
Munger on…

Twitter

“It’s very hard for me to know anything about Twitter when I’m avoiding it like the plague.” —2013
“Buying something that only goes up if the world goes to hell is not a terribly rational thing.” —2011
“You are not being deprived when the stock goes from 100 to 200 and you didn’t get a dividend” —2014
“I think you can confidently expect a new mess before your career is over. “Finance really attracts people who should be in snake charming.” —2011
“In the last two years the book value of Berkshire has gone up $90 billion pre-tax. If this is failure, I want more of it.” —2013
“While Warren and I will soon be gone...the stupidity of management in the corporate world will likely remain to give Berkshire a competitive advantage in the future.” –2009
Munger on...
The Game of Life

“The game of life is a game of everlasting learning. At least if you want to win.” —2013
“I have an uncle with a saying: ‘A fortune fairly won and wisely used.’” —2011
“WWWD?”
Circa 2008

2008

Buffett Questions
Berkshire Questions
“WWWD?”
circa 2014

Berkshire Questions
Buffett Questions

2008 2014
0% 100%
10% 90%
20% 80%
30% 70%
40% 60%
50% 50%
60% 40%
70% 30%
80% 20%
90% 10%
100% 0%
“Nothing to Add”
2014 vs. 2008

2008 Annual Meeting
2014 Annual Meeting

"Nothing to Add"
Munger Speaks
“Folly”
“Madness”
“Sin and folly”
“Evil and folly”
“Knaves”
“Idiots and knaves”
“Miscreants and knaves”
“Twaddle”
The Importance of Charlie Munger
Familiarity with Charlie Munger
Familiarity with Charlie Munger

- MBAs: 100% knows of Charlie Munger
- General Public: 60% knows of Charlie Munger, 40% doesn't know of Charlie Munger
Familiarity with Charlie Munger

- MBAs
  - Knows of Charlie Munger: 60%
  - Doesn't Know of Charlie Munger: 40%

- General Public
  - Knows of Charlie Munger: 50%
  - Doesn't Know of Charlie Munger: 50%

- Where Did They Come From?
  - Knows of Charlie Munger: 100%
  - Doesn't Know of Charlie Munger: 0%
The Contrast Principle

Net Worth ($1,000)

Charlie Munger  Warren Buffett

Net Worth ($1,000)
Warren and Charlie
The Abominable No-Man

“The standard should NOT be what’s legal and convenient.” —2010
“I am not saying Buffett isn’t as good as Soros…I am saying that the probability Soros’s returns come from randomness is much smaller because he did almost everything: he bought currencies, he sold currencies, he did arbitrages. He made a lot more decisions.

“Buffett followed a strategy to buy companies that had a certain earnings profile, and it worked for him. There is a lot more luck involved in this strategy.”

—Bloomberg Businessweek, September 25, 2010
“The early Charlie Munger is a horrible career model for the young, because not enough was delivered to civilization in return for what was wrested from capitalism.”