

Twitter Thread by Daniel



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Peter Cundill might be the least known Superinvestor of the last century.

The Cundill Value Fund he managed achieved a little over 15% compounded return over 33 years.

This is more than 100x on your initial investment.

This is his Investment Philosophy■■■



1. A Whole Lot Of Patience

Cundill's most important trait is patience.

Great ideas often come early to you.

Reality is complex and things take time to play out.

The worst mistakes are made when investors decide to sell these great ideas because they fear opportunity costs.

2. Always Change A Winning Game

Never change a running system, but always change the game.

Nothing wins forever.

Create an investing framework and stick with it but change where you apply it.

Things that outperformed will eventually stop doing so and the other way around.

3. Be International

Great opportunities exist in all kinds of markets.

As discussed above, changing where you play can be important to stay on top.

One way to change your playing field is to expand into different countries.

4. Great Poets Borrow

Decades ago, Cundill already emphasized on the importance of what many call “cloning” today.

To find investment ideas, looking at what other successful investors own can be helpful.

Ideally, you build a network of investors you gather ideas from.

5. Cheap Always Works

Cundill always stuck with Graham and never joined Buffett’s “wonderful business” investment stil.

Up until the end, he invested in cigar butts and preferred cheap over quality.

An out of fashion approach, but one that still proves very profitable.

6. The Danger Of Modeling

Cundill disliked financial models like DCFs and similar models.

He critiqued that people rely too much on the results of those models.

This was also due to his investment approach, where he relied more on some-of-the-parts analyses.

7. Coverage Is Key

A key characteristic of mispriced companies is little or no coverage.

Many special situations offer great potential due to this circumstance.

Cundill focused on such situations to find overlooked and underpriced companies.

8. Simplicity Beats Complexity

Many intelligent people join the investment business for the intellectual challenge.

But that can lead to bad decisions since many of them therefore focus on complex problems.

And you don't want your investment more complex than it needs to be.

9. Bravery

Bravery is an essential characteristic of a successful investor.

Especially when you hunt for bargain priced stocks that almost inevitably have bad press around them.

In theory, you just need to know your facts.

In practice, you need bravery to act upon them.

That's it for today!

I hope you learned something new.

If so, why not Retweet and Like this Thread so more people get to see it.

Also, if you want to learn more about Superinvestors, Value Investing and Psychology, feel free to follow me [@MnkeDaniel](#)

For anyone further interested in Peter Cundill, he wrote a book called "There's always something to do."

You might want to check that out.