Twitter Thread by Ram Bhupatiraju



Ram Bhupatiraju
@RamBhupatiraju

■Investing Philosophies I greatly admire. Learning from the best Investing Teams out there (that match your Philosophy/Strategy) and improving your own process is one of the best investing hacks. What are some others that you admire?

■of my principles at the end.
■■■■

1■ Buffett : Gotta start with the■

https://t.co/RKO4BAMbpT

WARREN BUFFETT STOCK INVESTMENT CRITERIA

We select our marketable equity securities in much the same way we would evaluate a business for acquisition in its entirety. We want the business to be:

1. One that we can understand,

2. With favorable long-term prospects,

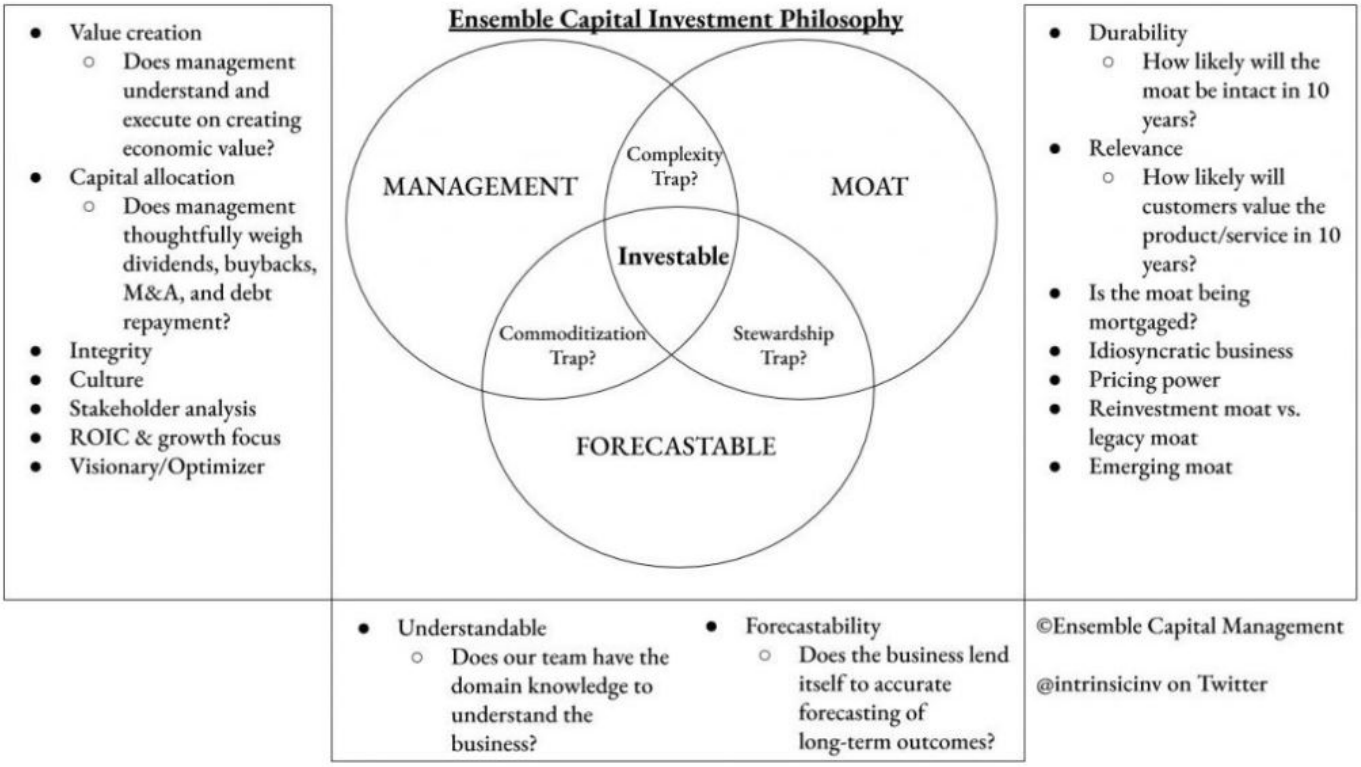
3. Operated by honest and competent people, and

4. Available at a very attractive price.

We ordinarily make no attempt to buy equities for anticipated favorable stock price behavior in the short term. In fact, if their business experience continues to satisfy us, we welcome lower market prices of stocks we own as an opportunity to acquire even more of a good thing at a better price.

2■ Ensemble Capital : @IntrinsicInv @ToddWenning

https://t.co/6Cozku3Vmn



3■ Fundsmith : Terry Smith

https://t.co/WqBHvN4RiU



4■ Silver Ring Value Partners : Gary Mishuris

https://t.co/hjDC2VBIum



Several important concepts inform our investment philosophy and form the foundation upon which we confidently invest our clients' assets:

- **Intrinsic Value** – We believe a stock's worth is best determined by the underlying business's long-term economics, not by what others are willing to pay in the short-term.
- **Margin of Safety** – We determine an investment's margin of safety by the combination of the quality of the underlying company and the discount from a conservative appraisal of intrinsic value offered by the price.
- **Long-term Time Horizon** – We focus on achieving the best possible safe compounding of capital over a period of many years rather than managing short-term volatility of returns.
- **Rational and Disciplined Execution** – The market occasionally misprices securities for behavioral reasons. These arise due to market participants reacting to developments emotionally rather than rationally and to some market participants' misaligned incentives. By remaining rational and disciplined in managing our portfolio, we can take advantage of the market's mistakes while guarding against mistakes of our own.
- **Concentrated Portfolio** – We seek investment opportunities that combine a company of high quality with a price that is at a material discount to intrinsic value, which arise only infrequently. After constructing a portfolio where being wrong on any single judgment should not result in a material loss of principal for the portfolio as a whole, additional diversification is more likely to increase rather than reduce risk by forcing the inclusion of increasingly inferior investments.

5■ Chuck Akre

https://t.co/GdP0t8XYaQ

Our Investment Philosophy *by Chuck Akre*

Q: What is so important about the three-legged stool?

A: We speak a lot about "essences," and the essence of our investment approach is perfectly captured by the visual of a "three-legged stool." This metaphoric three legged stool describes what we look for in an investment: (1) extraordinary business, (2) talented management and (3) great reinvestment opportunities and histories. I have an old three-legged milking stool in our conference room and it is clear by looking at it that it is sturdy and durable. We believe our stool is just as sturdy and durable based on our many years of experience!



6■ Shawspring : @DennisHong17

https://t.co/O4baJuHGL3

Investment Philosophy

ShawSpring pursues a single, long-term investment approach with the objective of generating high absolute returns and meaningful outperformance of market indices.

Our team focuses its efforts on studying business models globally in the technology, internet, and consumer sectors. We are typically attracted to industry leaders with defensible competitive advantages, resulting in durable unit economics and attractive free cash flow generation.

Our opportunity set specifically hones in on three business models:

1. Scaled Aggregators, such as Marketplaces or Networks
2. Vertically-Integrated, Capital-Intensive Businesses
3. Cognitive Referents

Given our long-term approach, we place a premium on exceptional managerial character and strong management team alignment with shareholder interests.

Our research efforts culminate in a concentrated portfolio of 5-10 high-growth businesses that we believe can compound capital over a multi-year investment horizon.

7■ Hayden Capital : @HaydenCapital

https://t.co/wIIJEaJt3w

The Hayden Capital Way

A concentrated value approach to public markets investments.

At Hayden Capital, we are value investors. Our primary focus is the long-term preservation of capital, while seeking to compound capital at above-average returns over a full market cycle. We invest globally across the market cap spectrum – seeking opportunities to purchase high-quality franchise businesses at discounted valuations.

Our key tenets are:

- Buy high-quality businesses at rational prices for the long-term.
- Focus on underlying economic values, not stock prices.
- Stay within our circle of competence.
- Keep things simple. Rationality and common sense can go a long way.
- Concentrate capital in only the best ideas.

Additionally, we follow a research-intensive, concentrated strategy which generally consists of 6-15 core positions. The strategy is long-biased, however we may occasionally short individual companies with highly asymmetric risk-reward characteristics. Additionally, we'll hold large cash positions and have the ability to use derivatives to hedge broader market tail-risk during periods of market excess.

8■ Saber Capital : @JohnHuber72

https://t.co/GkcazyA6C6

Investment Philosophy

Saber's strategy is very simple: We invest in undervalued stocks of great businesses. Since these opportunities are rare, we are extremely selective when making investments, which means we tend to own a concentrated portfolio of high quality companies that changes infrequently. We prefer business analysis over security analysis, meaning our top priority is to understand the companies we invest in and what their future prospects look like. One key to successful investing is reducing mistakes, and we've observed that most investment mistakes come from selecting the wrong business, not from paying the wrong price. Stocks are pieces of businesses, and so we restrict our investments to those that we'd be comfortable owning outright. Our selectiveness means we miss many opportunities, but we also believe it helps us avoid many pitfalls.

9■ Saga Partners: @SagaPartners @richard_chu97

https://t.co/TC5eIrPGLy

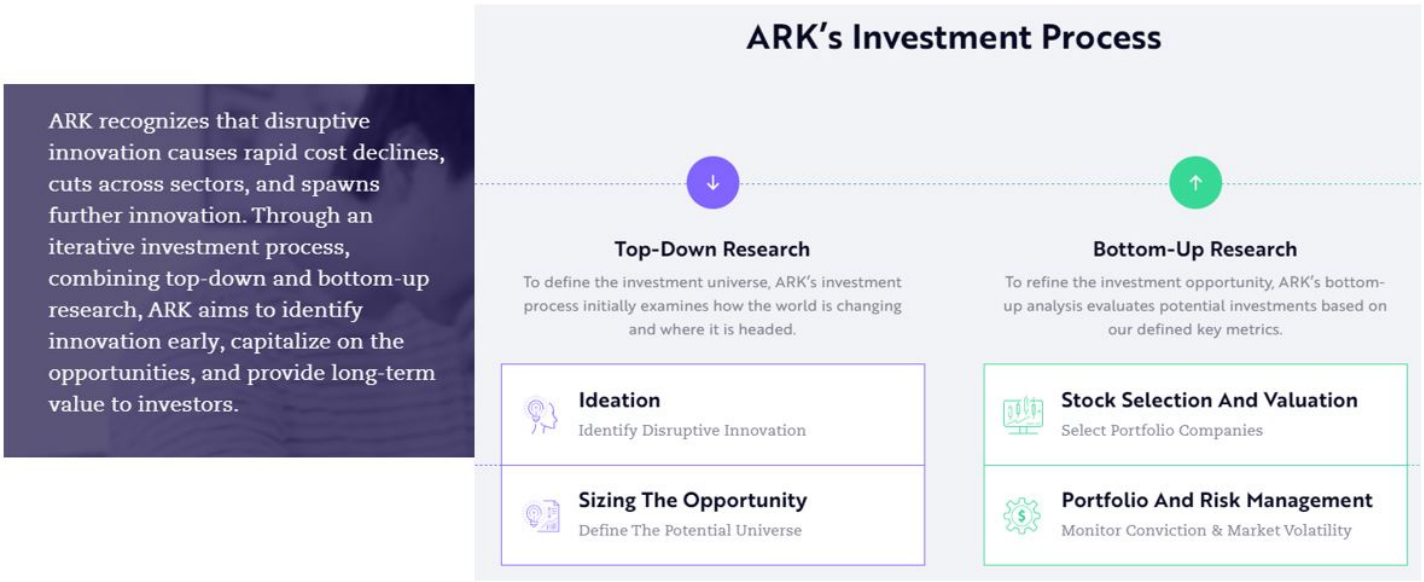


■ Polen Capital

https://t.co/5HsFSnJb6N



Bonus : @ARKInvest



The core principles of investing aren't too many, and doesn't change too often.

Below are my quick useful■principles.

1■ Focus on Understandability (& circle of competence), Quality, Durability, Growth & Competitive advantages/Moats.

2■ Focus on Financial strength, cash generation capability along with long runway and high re-investment opportunity.

3■ Focus on Management - Integrity, Capability, Vision, Incentives alignment and long-term orientation.

4■ Learn how to interpret the Financial Statements of a Company, given it's growth stage/life cycle, Industry and what it's actual goals currently are.

5■ Respect Valuation (but that doesn't always have to mean purely statistical/backward looking metrics).

6■ Keep an eye on innovation, disruption and major trends helping/hurting your holdings and prospective Co's.

7■ Portfolio Concentration towards the best ideas based on conviction & return potential.

8■ Think & act long-term. Rational & disciplined execution. Time & patience given to great businesses will generally be rewarded with great returns.

9■ Keep an open mind. Respect well researched contrary opinions.

Learn from various good resources, but always make your own decisions.

Learn from your mistakes & move on. Do not try to justify your past mistakes if the facts are no longer aligned with them.

■Accept Volatility as part of the journey and even take advantage of it.

Moderating your fear (during bad times) and greed (during good times) will ensure survival and long-term success.

Hope this was helpful.

/END.