Twitter Thread by Mike Vestergaard



Mike Vestergaard
@mhvestergaard



THREAD: STOP UNDERVALUE THE PRIVATE INVESTORS

The misunderstanding of private investors - primarily known as amateur investors when talked about - done by media and professionals is too much.

Are you ready? Hope you will enjoy this one and bring your voice into the debate■■

1/x

Are private investors just a bunch of happy gamblers who should let the “real deal” aka professionals invest for them instead? Idk, maybe, maybe not. Peoples own choice, right? But I have an opinion about how media undervalue private investors.

2/

There are many smart persons out there, which have a great skill to hold the same (or more) knowledge and understanding than professionals.

Why? Because the world has developed so much and the information-level have changed■

3/

Earlier on you would not get access to accounting; it could be sent by Bloomberg terminal, send by post and even cost money. Now every accounting for every public company is available for free right after disclosure.

4/

Professionals had exclusive access to the board, and even the founders, the professionals had access to industry experts and could connect the dots faster.

Now every interview with the company, blog post by an industry leader or a Q&A with founders is available realtime.

5/

Professionals have a great network (and they really do), which earlier on was an edge. But now the private investors have a great network as well (thank you SoMe!). Look at Twitter, Reddit, Discord, Facebook groups... Crazy scale on crowdsourcing!

6/

@chamath said it great here:

“r/wallstreetbets is now the largest hedge fund in the world.

Excepts it’s completely decentralized and entirely democratic.”

https://t.co/vgzpxrqTmz

> r/wallstreetbets is now the largest hedge fund in the world.
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>
> — Chamath Palihapitiya (@chamath) January 30, 2021

7/

I think the HF, banks and PE-people still have a significant advantage in speed and execution (and network)!. But if both parties – private and Professionals – are longterm, I think the edge a lot smaller than many think.

8/ I know many guys and women in the “world of money”, mostly in DK and around Europe. Some are working at the biggest banks, PE-firms and research companies. I love them. They are some of the smartest people I know and they always up for some fun. But…

9/

They live with their math-models, they have never been “hustling” on a company, they have never disrupted anything themselves. They have never tried to make a campaign on SoMe, getting funding, setting up a company from the bottom or dealt with a PR-crisis, etc.

10/

The above is more like an entrepreneur, but it not limited to that. A software developer has (hopefully) more knowledge about this sector than an HF-analyst, which measure the sector by “old” financial-reports.

11/ An employee in marketing probably knows more about marketing and SoMe than an HF-analyst, which never work with advertising before.

And common for the above is that they probably have a greater network than everybody else (=outsiders) inside their sector.

That is an edge.

12/

It is a little bit funny how every professional think they can judge a sector or company better than private. Still, the private can definitely not do a better job at investing than the Professionals. Ironic, right?

13/

I think the media and Professionals undervalued how competent people are out there, how willing people are to share their info and work together. And least: How much information there are available.

14/14

For me is not a battle for that private investor are more skilled than Professionals (I really do not hope so), but more a question about not undervaluing the private investors. Private investors can be so skilled, and I love that!

How is your perspective on this one?■