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To be a good public investor, you don’t need to be a genius or own a crystal ball but you do have to make a few big calls.

2/ In my case, I started in January of 2000, was up 20pct after the first month, and thinking this was pretty easy. Then the nasdaq dropped from 5000 to below 1000. That was a proper wake up call!

3/ I only made 2 big calls in the first 10 years or so but those were enough. If 90pct of your book goes up 8pct/year (historical public returns) and 10pct doubles, then you are up twice as much as the market and that’s a big number as it compounds.

4/ My first big call was recognizing the bubble in 2000. It took me 12 months but I was ready for 2001/2 once I understood how the excessive financing of dot.coms would eventually affect hardware and semiconductor companies. Seeing how the cobweb ties all the players was helpful.

5/ I missed the rally post 2003 but then stumbled on Apple computer in 2007. At the time I was very annoyed because I had dismissed the iPod and the stock had moved from $25 to $100 (or $1 to $4 post 28-1 splits)

6/ But I did go see Steve Job on stage present the new iPhone and I knew it immediately. Listening to your instincts (and sleeping on them for a few days to double check) that was it. Nothing very clever.

7/ In 2007 apple traded at 30x EPS but only 3x 5 years out. The art of growth investing is realizing a stock that appears expensive today can be dirt cheap 5-7 years later. Multi baggers are the source of most outperformance and hide many mistakes.

8/ Once you find a multi bagger it’s time to peel the onion. Who was going to draft or collide with all this value creation? Apple had many implications for incumbents like Nokia and Blackberry but also created powerful new semiconductor companies.

9/ Public investors are not always as imaginative as private investors. But they dispose of a large library of good and business models and can quickly zero in on the key metrics that matter. Not all growth is created equal and not every projection is to be accepted.

10/ What has worked for me is focusing on TAM (market size), earnings, growth and the corresponding P/E multiple 5-7 years out. That means I’m a very mediocre macro and cyclical investor though I need to be reminded of that more than I care to admit.