Learning *With* the Best

Perspectives: April 23rd, 2025

Besides the people, focused time for proper research and investment decision making is the most valuable asset of an investment firm. In a world of distraction, how I choose to spend my available time is a *critical* decision.

It is natural for investors to pay the most attention to the businesses we already own. **In terms of so many things in life – We become what we *choose* to consume**.

Now, raising these ideas a notch to the level of our firm: We choose upfront to only invest **with** the best businesses in the world in our funds. This means that our whole team ends up studying and learning **with** only the best business executives and entrepreneurial businesses in the world.

The alternative is to knowingly acquire *inferior* companies in our funds: not clear industry leaders; lacking sustainable competitive advantage; or suffering under the heavy burdens of owners and leaders that are mediocre or worse.

Over and above their inevitable delivery of poor long-term investment returns, owning these types of inferior companies is *extremely* distracting. Even if only a small portion of our funds, they demand a disproportionately large percentage of our team's available time [*the 80/20 principle*].

We recognize that every single decision we make on how we spend our time is a trade-off. Every hour we waste on any nonsense is an hour we could and should have invested in learning more about a great business and its owners & leaders. This highlights an even larger opportunity cost, one that is hidden: The long-term compounding impact of a productive hour of learning is equal in proportion to the long-term compounding effect of a wasted hour.

Looking at this objectively, there is no good reason to study, buy, and own *any* inferior companies. It is also important that we regularly and critically review all our existing fund holdings and scrub the decks clean of any gunk.

It is an incredible feeling to know that I can invest my time with *any* of my team members or on *any* of the businesses we own with the complete certainty that it will result in productive learning.

Our work continues...

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