

Dust in The Wind



ERIK MOSHOLT, CFP®
Chief Investment Officer

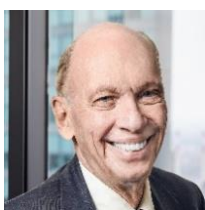
December 2023

If you're a music lover there are dozens, maybe even hundreds of songs that you can sing along to in your head when you hear those familiar words coming from your speakers. But how many songs have lyrics that still, after all these years, stop you in your tracks every time you hear them? For me, there are only a handful. This verse from the 1977 song *Dust in the Wind* is on that short list:

*Nothin' last forever but the earth and sky
It slips away
And all your money won't another minute buy*

As 2023 draws to a close, that last line is especially timely, as in recent weeks the finance community lost two of its most prominent elder statesmen – Byron Wein and Charlie Munger. Both men worked until they died, Mr. Wein at age 90 and Mr. Munger at 99 years of age.

Besides long lives and careers in finance, both men were known for their communication skills and for timeless insights. George Benard Shaw once quipped that "*Wisdom is wasted on the old.*" Mr. Wein and Mr. Munger tried hard not to let their wisdom be wasted by generously sharing theirs with others.



Mr. Wein spent the end of his career at Blackstone, and was still conducting market strategy webcasts this summer. Many years ago, Mr. Wein published these twenty "Life's Lessons". (edited slightly for brevity).

1. Concentrate on **finding a big idea that will make an impact** on people.
2. If you want to be successful and live a long, stimulating life, **keep yourself at risk intellectually all the time.**

3. **Network intensely. Luck plays a big role in life, and there is no better way to increase your luck than by knowing as many people as possible.** Nurture your network. Show people you're thinking about them.

4. **When you meet someone new, treat that person as a friend.** Most people wait for others to prove their value. Give them the benefit of the doubt from the start. Occasionally you will be disappointed, but your network will broaden if you follow this path.

5. **Read all the time.** Don't just do it when you're curious about something, read actively.

6. **Get enough sleep.** Seven hours will do until you're sixty, eight from sixty to seventy, nine thereafter, which might include eight hours at night and a one-hour afternoon nap.

7. **Evolve. Try to think of your life in phases so you avoid a burn-out.** Do the number crunching in the early phase of your career. Try developing concepts later on. Stay at risk throughout.

8. **Travel extensively.** Try to get everywhere before you wear out. Attempt to **meet local interesting people** where you travel. Keep in contact with them. See them when you return to a place.

9. **On philanthropy, my approach is to try to relieve pain rather than spread joy.** Music, theatre and art museums have many affluent supporters, give the best parties and can add to your social luster. They don't need you. Social service, hospitals and educational institutions can make the world a better place and help the disadvantaged progress toward the American dream.

10. Younger people are naturally insecure and tend to overplay their accomplishments. Most people don't become comfortable with who they are until

their 40's. Then, they can underplay their achievements and **become a nicer, more likeable person. Try to get to that point as soon as you can.**

11. Take the time to **give those who work for you a pat on the back when they do good work.** Most people fail to thank the people who support them. It is important. It motivates and inspires people and encourages them to perform at a higher level.

12. When someone extends a kindness to you write them **a handwritten note, not an e-mail.** Handwritten notes make an impact and are not quickly forgotten.

13. At the beginning of every year **think of ways you can do your job better than you have ever done it before.** Write them down and look at what you have set out for yourself when the year is over.

14. **The hard way is always the right way. Never take shortcuts** (except when driving home from the Hamptons).

15. **Don't try to be better than your competitors, try to be different.** There is always going to be someone smarter than you, but there may not be someone who is more imaginative.

16. When seeking a career as you come out of school or making a job change, always **take the job that looks like it will be the most enjoyable.** If it pays the most, you're lucky. If it doesn't, take it anyway. I took a severe pay cut to accept each of the two best jobs I've ever had - they both turned out to be exceptionally rewarding financially.

17. There is a perfect job out there for everyone. Most people never find it. Keep looking. The **goal of life is to be a happy person, and the right job is essential to that.**

18. When your children are grown or if you have no children, always **find someone younger to mentor. It is very satisfying to help someone steer through life's obstacles,** and you'll be surprised at how much you will learn in the process.

19. **Every year, try doing something you have never done before that is totally out of your comfort zone.** It could be running a marathon, attending a conference on an off-beat subject that will be populated by people very different from your usual circle, or traveling to an obscure destination alone.

20. **Never retire.** If you work forever, you can live forever. I know there is an abundance of biological evidence against this, but I'm going with it anyway.

Now I don't fully agree with every one of Byron's recommendations, but I always thought they were provocative. To me, they boil down to...enjoy life, think about and plan your life's arc, work hard, make friends and be a good one yourself, stay busy, challenge yourself, keep learning, and help your fellow man.



You may not know of Charlie Munger, but you likely have heard of his partner – Warren Buffett. Mr. Munger was arguably more important to Berkshire Hathaway's remarkable investment

success as decades ago, he persuaded Mr. Buffett to switch from his cheapskate-like "deep value" investing strategy of buying "a fair company at a wonderful price" to their current strategy of buying "a wonderful company at a fair price." And while he never organized his Life Lessons like Mr. Wein did, Mr. Munger leaves behind many priceless quips. Here are some of his best (also edited for brevity):

- *Life will have horrible blows, unfair blows. Doesn't matter. Some people recover and others don't. The attitude of Epictetus is the best - every mischance in life is an opportunity to behave well. Your duty is not to be submerged in self-pity, but to **utilize the terrible blow in a constructive fashion.***
- *Don't have a lot of envy, don't have a lot of resentment, don't overspend your income. Stay cheerful in spite of your troubles, deal with reliable people and do what you're supposed to do. All these **simple rules work to make your life better.***
- *I constantly see people rise in life who are not the smartest, sometimes not even the most diligent, but they are learning machines. They **go to bed every night a little wiser** than when they got up. Boy does that help.*
- *Without (ongoing) learning, you're like a one-legged man in an ass-kicking contest. It's just not going to work very well.*
- *In my whole life, I have known no wise people (over a broad subject matter area) who didn't **read all the time**--none, zero. You'd be amazed how much Warren and I read. My children laugh at me. They think I'm a book with a couple of legs sticking out.*
- *Understand both **the power of compound interest** and the difficulty of getting it. The first rule of compounding (is to) never interrupt it unnecessarily.*
- *A lot of people with high IQs are terrible investors because they've got terrible temperaments. Having a*

certain kind of temperament is more important than brains. You need to keep raw irrational emotion under control. You need **patience and discipline** and an ability to take losses and adversity without going crazy.

- If I can be **optimistic when I'm nearly dead**, surely the rest of you can handle a little inflation (spoken in 2010).
- It's so simple. **Spend less than you earn. Invest shrewdly. Avoid toxic people and toxic activities. Keep learning all your life. And do a lot of deferred gratification.** If you do all those, you are almost certain to succeed. If you don't, you're gonna need a lot of luck.
- The idea of caring that someone is making (more) money faster (than you are) is one of the deadly sins. **Envy is a really stupid sin** because it's the only one you could never possibly have any fun at. There's a lot of pain and no fun. Why would you want on that trolley?"
- We both insist on a lot of time being available almost every day to **just sit and think**. That is very uncommon. Warren and I do more reading and thinking and less doing than most people in business.
- The record of people and companies that are (successful) outliers are always a mix **of intelligence, hard work, and luck.**
- **Don't tell people your problems.** 90% don't care and 10% are secretly glad you have them.
- The best thing a human can do is to **help another human being know more.**

There are clear similarities between the ideas of Mr. Wein and Mr. Munger. This overlap is even more striking considering the disparity of their backgrounds - Mr. Wein from Harvard and the Hamptons, Mr. Munger from Omaha, Nebraska. I find it particularly interesting that both wildly successful men made it a point to respect and acknowledge the role of luck in our lives. While I agree that luck can play perhaps an uncomfortably large role in

our lives, there's also no doubt that both men would be on board with another famous quote that I first heard decades ago – *"the harder I work the luckier I get."*

With the passage of time, it will be easy for our memories of Mr. Wein and Mr. Munger to fade like dust in the wind. By cataloguing their words of wisdom here and referring to them from time to time, hopefully, they won't wash away like a drop of water in an endless sea, or crumble to the ground, as we refuse to see.

This report was prepared by 46 Peaks LLC, a U.S. SEC registered investment advisor, and reflects the current opinion of the firm, which may change without further notice. This report is for informational purposes only and nothing contained herein should be considered as investment advice or a recommendation or solicitation for the purchase or sale of any security or other investment. Opinions contained herein should not be interpreted as a forecast of future events or a guarantee of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be either suitable or profitable for a client's portfolio. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any benchmark. Diversification does not ensure a profit or protect against loss in a declining market. Registration as an investment advisor does not constitute an endorsement of the firm by securities regulators nor does it indicate that the adviser has attained a particular level of skill or ability. Commentary regarding the returns for investment indices and categories do not reflect the performance of 46 Peaks LLC, or its clients. Historical performance results for investment indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. Figures contained herein are obtained from sources deemed reliable, but we do not guarantee its accuracy or completeness. Past performance is no guarantee of future results. Investments fluctuate in value. 46 Peaks is independently owned and operated. Except where otherwise noted, index performance and economic statistical information sourced from JP Morgan Asset Management or Morningstar. ©2023 46 Peaks LLC.