

## Griffin, Trent - Charlie Munger: The Complete Investor

Columbia University Press, 2015 [Equity Investing] Grade ★★★★★

This might very well be the best over-hyped book I have ever read. Already a year before actual publication rumors began to swirl around the book - fully understandable given the intriguing combo of our time's most mythical investor and a hugely successful writer with an ardent following in the investing community. So there sure was no margin of safety, rather the opposite, as I began reading the book.

So lacking the opportunity to "pounce aggressively" when the opportunity is great, the solution became another investor rule of thumb: average-in. I have read the book three times in the last six months, and as each sitting took me further away from the frenzy of the launch itself, the appreciation for what the author has done in the book grows bigger. Still, the extensive use of quotations in the book makes it somewhat less free flowing compared to the author's blog posts. But, as Mr. Griffin himself says in our interview with him, "I give myself more of a creative license in writing my blog [...]. The other issue with a book is that the narrative is expected to be linear even though the investing approach and life [...] of Charlie Munger is not". And given the aim of a book vs an individual blog post, and the necessary structure of a book in order to keep the reader hooked until the end, I now appreciate the long passages of quotation to a greater extent that during the first read.

The editing and formatting rules-of-thumb also explain why the chapter on moats is put in the appendix. Any "Mungerist" will know of the penetrating impact of his ideas around extended competitive advantages, great companies at fair prices and the adaptability of great business models. As such, I was perplexed at first why this part was put towards the end. However, it would likely have been a "bump" in the book's narrative and line of thought, starting with the principles of Graham value investing and finishing on what makes up great businesses. But it does also serve as a litmus test for the reader; unless you make it to

that last chapter on moats, perhaps the value investing discipline is not for you.

Mr. Griffin's aim with the book was to write something about Munger that had not yet been written, visavi the biographic approach in *Damn Right* by Janet Lowe or the topical scrapbook approach in *Poor Charlie's Almanack*. That is, the methodology practiced by Munger and how he sets out to make decisions. Some observers have felt robbed by this book not being the Munger-equivalent to *Buffett - The Making of an American Capitalist*. But that is missing the point. I think it is comparable. *The Making of an American Capitalist* embodied and played on the folksiness of Warren Buffett, whereas this book bases the narrative on the elitist, reclusive and wisdoms-reaching aspect of Charlie Munger. Case in point: Munger's speech in 1994 at USC ("*The Psychology of Human Misjudgement*") has been held up as one of the more widely influential on psychology's impact on investing. Groundbreaking as it was, the concepts brought up in the speech are far from easy to grasp. Griffin spends a full chapter on this and even though the text sometimes gets lost in the minutiae of quotations and theories, he provides one of the best rundowns of the tendencies that shape our behavior and of Munger's latticework analogy I have ever read.

As with most well written books on great topics, there are few better values to be had than to buy a book. *The Complete Investor* is no exception. Apart from only paying \$17 in order to find out if you're really a value investor, the parts about margin of safety, Graham value investing vs Fama & French factor investing, patient aggressiveness and the importance of a few decisions making all the difference are worth a multiple of the book's cost.

The author himself opines that one ought to read everything by Mauboussin. There are more brilliant minds than time in the day, but on my list I would surely make room for Trent Griffin as well.

Henrik Andersson, March 25, 2016