

[Tuesday, May 1st – North American Energy Partners by Alex Middleton](#)

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“The Urgent and the Important”

May 6th, 2018

To Focused Compounding members:

This is the time of year when value investors flock to Omaha and come the closest to being a religious sect. It’s a good time to think about both what value investors preach and what value investors practice. The day-to-day practical work of investing that becomes habitual to you is what matters most. This is what you should care most about shaping. And yet it is the thing that is least likely to become memetic.

What spreads – copied from one person’s mind to another’s to another’s – are things like quotes. I use quotes in this memo each week. And Warren Buffett certainly quotes others a lot when presenting a concept. It’s a lot easier to spread a quote around – online or offline – than to spread around a habit. I’ve talked before about the importance of reading a 10-K a day. It is important. But, I don’t know how to make that concept something that is easy to spread. A soundbite is easy to spread.

This is the time of year when value investing ideas spread fast. You now have video of Warren Buffett and Charlie Munger at the annual meeting. You have video of Warren Buffett on CNBC. You have transcripts. You have soundbites. And you have those transcripts and soundbites broken down into quotes the length of a tweet that can be re-tweeted again and again. We’ve had all that before. What’s new this year?

CNBC’s “Warren Buffett Archive”. CNBC describes this archive as:

- 25 annual meetings, going back to 1994, with a highlight reel for each year
- 130 hours of searchable video, synchronized to 2,600 pages of transcripts
- 500 video clips covering scores of subjects

Now, there is a lot to learn from Warren Buffett. But, I recently recorded an interview with Andrew where I said that although I often call “You Can Be a Stock Market Genius” the best investing book out there – there is a second contender. And that second contender is the “book” made up of the chapters of Alice Schroeder’s biography of Warren Buffett, “The Snowball”, that discuss Buffett’s investing life in the 1950s, 1960s, and 1970s. And as I listened to Buffett’s annual meeting preamble where he talked about how he and Charlie Munger would probably get a lot of questions about current events instead of the truly long view – I started to think about whether I really thought someone’s time would be better spent watching that annual meeting Q&A or re-reading those chapters of “The Snowball”.

The annual meeting seems more important because it is more urgent. It is happening now. It’s news.

But how important is news to investors? Over time, I’ve come to believe news isn’t something that investors should seek out. Not because news isn’t important. But because news will be served up to you on a silver platter. It will seek you out. Meanwhile, that copy of “The Snowball” can sit on your shelf gathering dust because there is never a reason to re-read it today. It’s always important, but never urgent.



Robby Gannon