

CHARLIE MUNGER – THE MODERN-DAY RENAISSANCE MAN

“Develop into a lifelong self-learner through voracious reading; cultivate curiosity and strive to become a little wiser every day.” --Charlie Munger

The following is a tribute to Charlie Munger who passed 33 days short of his 100th birthday on November 28, 2023.

The term “renaissance man” originates from the Renaissance era where the efforts of many influential thinkers led a transition from the Middle Ages to Modernity. The leaders of the era were well versed in many subjects including art, science, philosophy, and politics. Several noteworthy men of the Late Medieval period include Michelangelo, de Vinci, Copernicus, and Galilei. Charlie Munger is a great example of modern-day renaissance man.

There is perhaps no one more celebrated for investing skills than Warren Buffett. But Buffett would not be Buffett without Charlie Munger. Munger, the long-term vicechair of Berkshire Hathaway, was jointly responsible with Buffett for the extreme success of the past 50+ years of converting a textile manufacturing business into a holding company owning a diverse set of competitively advantaged businesses.

Munger accelerated the transition and pursuit of stock investing or business acquisition from cheap “cigar-but” style investment opportunities to competitively advantaged businesses at fair prices. The benefits include lower turnover, lower costs, and taking advantage of compound interest.... where time is the friend of a great business. Munger early understood the power of long-term thinking, compound interest and importance of competitive moats. The following are a few memorable quotes about businesses.

- *“Opportunity comes to the prepared mind.”*
- *“An intelligent investing is value investing, acquiring more than you are paying for. A great business at a fair price is superior to a fair business at a great price.”*
- *“The difference between a good business and a bad business is those good businesses throw up one easy decision after another. The bad businesses throw up painful decisions time after time.”*

Munger believed life-long learning is a moral obligation in all disciplines in the pursuit of “ignorance removal.” At an early age, a multidisciplinary approach was pursued relating primarily to life, decision-making, and investing. Foundational life principles for Munger include preparation, patience, discipline, and objectivity for which one should never stray with special emphasis on pursuing “how to fail” which clearly illustrates what to avoid. Inverting was also a special key to success, which is necessary when dealing with complex adaptive systems, such as investing. Instead of asking “how can I make money” figure out how to best “lose money,” then do the opposite. Munger emphasized the need for rational thinking and temperament. One needs to maintain a clear and logical mindset which is crucial for sound investment choices.

Michael Anderson Chief Investment Officer

At Hi-Line Capital Management, our intrinsic-value philosophy and decision-making principles drive how we approach investing and provide guard rails for thinking during periods of extreme uncertainty and volatility. Our piece, *Foundational Decision-Making Principles*, details the seven pillars of our decision-making process and its critical function in long-term success and rationality.

ABOUT HI-LINE CAPITAL MANAGEMENT

Hi-Line Capital Management, LLC (“HLCM”), based in Watertown, SD, provides investment management and advisory services for institutional and individual clients. The firm was founded in July 2009, became a registered investment advisor (RIA) with the U.S. Securities and Exchange Commission (“SEC”) in March 2010.

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The following are a few memorable quotes applicable to investing:

- *“The big money is not in buying or selling, but in the waiting.”*
- *“A lot of people with high IQs are terrible investors because they’ve got terrible temperaments. And that is why we say that having a certain kind of temperament is more important than brains. You need to keep raw irrational emotions under control. You need patience and discipline and an ability to take adversity without going crazy.”*
- *“It’s not supposed to be easy, anyone who finds it easy is stupid.”*

Ben Franklin dispensed useful and timeless advice via *Poor Richard’s Almanack* which contained virtues including thrift, hard work, and simplicity over the course of 25 years. Two hundred years later, *Poor Charlie’s Almanack: The Essential Wit and Wisdom of Charlies T. Munger* was published. The book contains 30+ years of interviews, talks, lectures, and public commentary across a broad range of topics which still remain relevant and applicable to life, decision-making and investing. The following are a few memorable quotes applicable to life and decision-making:

- *“Reputation and integrity are your most valuable assets and can be lost in a heartbeat.”*
- *“Getting wise requires the removal of ignorance...especially previously loved ideas.”*
- *“Wisdom acquisition is a moral duty. It’s not something you do just to advance in life...You are not going to get very far in life based on what you already know.”*
- *“To get what you want, you have to deserve what you want. The world is not yet crazy enough place to reward a whole bunch of undeserving people.”*

The following are additional perspectives from close admirers of Charlie Munger that provide additional context regarding the breadth and depth of his wisdom and contributions.

Chris Davis - Davis Advisors and director of Berkshire Hathaway: "Yesterday, the world lost a great man, a great teacher, a great exemplar and the wisest person I have ever known. Although naturally brilliant, Charlie Munger acquired wisdom over the entire span of his long life through constant reading, deep curiosity, careful observation, and candid self-criticism. I do not know a single person whose life would not be improved by emulating the principles by which Charlie lived."

Daniel Hanson - Neuberger Berman: "Munger was a fiercely independent thinker, he charted his own path and rejected conventional wisdom and the institutional imperative, which is why he was so widely admired. Munger was a learning machine and a man of intellectual integrity, but he was also a practical businessman and an unabashed advocate for the societal benefits of capitalism."

And reserving the last words from Charlie.....

The world will miss Charlie Munger.



*“Those who keep learning, will keep rising in life.”
- Charlie Munger*