

[12 Takeaways From Charlie Munger At The 2020 Daily Journal Annual Meeting](#)

Charlie Munger, business partner of Warren Buffett, recently spoke at the 2020 Daily Journal Annual Meeting. You can watch the full recording [here](#).



It turned out to be a great one, full of wisdom and juicy punches. A 96 year-old with a sharp mind and snappy tongue!

Takeaways:

#1: Take the high road, because it's less crowded.

#2: Be a value generating machine:

Generate value for customers. Don't scam or skim off the top.

#3: Nifty Fifty vs. Tech Stocks:

Nifty Fifty was absolute madness. Tech stocks today are nowhere near this level.

#4: Fish where the fish are:

Investing success is as simple as that. Go where the fish are. Charlie sees China as a fertile hunting ground.

#5: China, a nation of gamblers:

Chinese love gambling, and hold stocks only for short periods of time. Eventually, they might leave this habit behind. Until then, this will generate plenty of opportunities for patient investors.

#6: Why Japan stagnated:

Japan was an export powerhouse. Then, they lost to China and South Korea. That's the main reason why their economy stagnated in the past 20 years.

#7: How China solved their opioid crisis:

1 in 8 people were addicted to opioids at one point. Their solution: death penalty, no exceptions. It worked.

#8: Software is eating the world:

It has been impressive to see that 96 year-old Charlie understood the power of software.

#9: Human excesses:

Human nature leads to excesses. Currently there are excesses in private equity, venture capital and healthcare. Don't trust „adjusted EBITDA“ numbers. It would be better if we all behaved a little more like Confucius.

#10: Invert, always invert:

If you want to help India, think about how you could hurt India the easiest, and then avoid those things. If you want to lose weight, think about how to gain the most weight, and then avoid it. “Invert, and avoid” works wonders.

#11: Do you have an edge?

Only play games where you have an advantage over other people. Avoid games where other people have an advantage over you. „God bless our stupid competitors. They make us rich.“

#12: Deferred gratification always wins:

People who have an ability to [defer gratification](#) will reap the benefits in the long run. Charlie believes that those people are born this way.

Read my [takeaways from 2019](#).

Watch recording: