

The Philosophy of Investing

Ultimately when people study Warren Buffett, Charlie Munger etc ,, what all these guys are searching for is wisdom.

I think this is good and important because principles wisdom, is resistant to time and technology, but at least for myself, I was born in 1988, searching for practical wisdom has always remained elusive for me.

I think difficult thing is that my circumstances were unique. I was born in the states, yet grew up poor; my definition of poor is not being sure whether you would be homeless next month because your dad just gambled away the rent money again, going off to Reno in the middle of the night.

The upside of poverty

I think on two fronts this was useful to me:

First, it taught me self independence at a very young age. I knew that if I wanted anything, I had to work for it. This motivated me to pick up lots of part-time jobs when I was like 13, 14 or 15, tutoring English, through my honors program at school, working at the local community center, getting a \$200 a month stipend etc.

In fact, my biggest personal pride and joy; essentially, purchasing my first car with my own money! At the age of 15, getting my drivers permit in California, \$1000 or maybe \$1200 1991 Sentra XE, 5 door sedan, 5 speed manual transmission car -- it didn't even have a tachometer! I learned how to shift gears simply by hearing and feeling the engine? This began my first love affair with manual transmission cars;

In fact, another point of pride, every car I have purchased my own money has always been a used manual transmission car, never exceeding \$2500 USD. In fact, the last car I purchased one in Providence Rhode Island before Seneca was born

was a 2002 Subaru outback, five speed manual transmission, listed on craigslist for 1000 bucks, was able to negotiate down to \$900, then \$800 in cash! Lying out those eight \$100 bills was the most obvious decision I've made in my life.

Obvious decisions are obvious

In terms of my decision-making philosophy, my unorthodox beliefs; **obvious decisions are obvious.**

What that means is before making any sort of decision life decision etc., you don't need to think about it too much.

Obvious decisions are staring you right at the face, and whenever you have to hesitate before making a certain decision, don't do it. Why? Your brain is still working out the details, whether or not you should do the thing or not.

Obvious trades, obvious financial decisions, obvious investments

For example, buying microstrategy stock, MSTR, to me is a 100% obvious decision. For the traditional markets, it's literally the only asset worth purchasing.

Why? Essentially they have discovered a free money hack or infinite money hack, which they could leverage their 30-year-old business, which is regulated, and mainstream... And leverage their position, borrowing money at less than one percent to buy bitcoin, which is accretive forever, and continuing the virtuous cycle.

Now is your time to purchase a piece of cyber Manhattan

Bitcoin is cyber manhattan: 256³

I think the idea of a cyber Manhattan, cyber real estate company is fascinating to me. And the difference between bitcoin, cyber real estate and Cyberman Manhattan is that it is actually backed by real electricity and power. For example, the problems

with all these fake virtual worlds is that it is just powered by a computer code, one and zeros, Any nerd can click a button and create a skyscraper in Sim city.

But what if, if you wanted to build a skyscraper in Sim city, you actually had to expand \$1 billion of real capital in the real world, before transferring it and transporting it to cyberspace? This is the 1000% paradigm shift;

The bridge between the physical, embodied reality, physical world and realm, to the digital cyber realm... Which is still backed with physical electricity?

It's a bug, not a feature!

Or it's a feature, not a bug?

I think what a lot of these goody two shoers don't get or understand is about real life physics in the game, skin in the game, energy in the game. *Everyone wants some sort of hidden upside without any real life downside?*

I'll give you example, everyone wants to rid the world of suffering pain injustice and the like. However, a life without suffering pain injustice and overcoming is not a life worth living.

You cannot have happiness without pain and suffering, nor can you have joy with without sorrow and misery. If we think about this from a Taoist perspective, I think about yin and Yang, you cannot have the good without the bad. You cannot have the virtuous without the evil.

The upsides of downsides

For example, obviously being in poor health sucks, and bad weather also sucks. But, when things get much better, you are 1000 times more joyful grateful and happy when things shift!

This is why funny enough, I think people on the East Coast, New England, Providence Rhode Island are happier than people in LA because the weather shifts are more extreme.

For example, when you're suffering in the winter time for months on end, no sunshine whatever, and then boom, one day the sun comes out, everyone is overjoyed! It is still 55° and cold, but at least it is sunny; everyone runs out and gets their picnic blankets, And the joy of the sunlight is 1000 times more extreme than in Los Angeles where everyone is trying to hide from the sun, even though they love it?

My simple analogy is everyone in LA is like a solid 7.2 out of 10, in terms of happiness, whereas in the East coast, your happiness goes from a -10 to a +500% when the weather is good!

So I suppose, the philosophical question then becomes, is it better or more favorable to have a steady mediocre thing forever, or more extreme highs and lows, which will be a benefit to your happiness?

Then a simple thought, the reason why I love bitcoin is because of the extremes; **I would prefer an extreme life to a steady and boring one.**

In search of yield

I think for me my number one principle in investing is yield. I think what a lot of people think is what they're trying to do with their money is they are trying to securitize it, and make it safe, stored in really really safe assets like treasury bills, bonds, or "safe" investments like Apple Amazon Facebook Google and like.

But, my personal thought is **life should not be conservative**; the point of life isn't to just conserve your wealth, but rather, to grow it!

Even the story of Jesus, you don't just take your wealth and hide it and bury your talents, your gold talents in the ground because you're afraid of losing it. No, **the virtuous thing is to go out and multiply it!**

And I also think the same thing is with wealth; the virtuous calling is to multiply it to grow it, not to just bury it, with the fear that it might go down.

How to gain more emotional armor for investing

OK, a lot of these fools, they want quick gains in order to go out and buy the Lamborghini or whatever. But once you find out that only small dick losers drive Lamborghinis, and also, that the useful lifetime value of a Lamborghini might only be three or four years, that is the point in which the maintenance costs and the insurance costs and fixing it up will destroy the price of it in just three or four years, then it becomes obvious; **you wish the Lamborghini onto your worst enemy, you don't desire one for yourself.**

My simple thought is take a stoic spartan approach; essentially live like a super super poor person, the only thing you should ever spend money on is weights barbells and weightlifting equipment, and meet... Everything else should be essentially free.

Tips to *NOT* go broke

This means,

1. Never eat out: nothing is worth it, not even all you can eat Korean barbecue! My current favorite joint is chubby cattle, but still... The 90 minute time sitting is a bit restrictive.
 2. No weed, no alcohol
 3. Don't go out for coffee, just brew it and drink it at home. I actually have a new hack; I only drink a lot of coffee at the house first thing in the morning when I wake up, but after the morning, 100% abstinence for the rest of the day. I get the upside of getting a good caffeine buzz first thing in the morning to get me going, without the downside of having it affect my sleep.
 4. Never buy anything, and also... The only "computer" or device I find worth it is an iPad Pro;
 5. Always buy the cheapest iPhone on the market; **only poor people buy iPhone**
- Pros**

6. For camera or digital camera, I recommend getting the most compact, capable Panasonic camera, and the cheapest, most compact pancake lens. Currently the Lumix S9 (\$1500) and 26 mm F8 pancake lens (\$200). Never buy a loser Leica which is essentially a Panasonic Lumix with a body kit. Especially the Panasonic Lumix Leica Q Cameras. If you want a digital rangefinder just buy a used Leica M9.
7. Don't shoot film: I think about a decade ago in 2014 2015, it was affordable, but now it is too expensive. Save your money and buy Bitcoin instead!
8. Never buy a new car under any circumstances. This is immediately like taking a 30% haircut; the second you drive it off the lot, boom, you've already lost 30% of its value. And also, don't buy electric vehicles, no matter how appealing. It is like purchasing a really really expensive iPhone Pro with wheels; it might be only good for 3 to 5 years, maybe seven years tops... Then after that, a slow degrading. Real rich people buy old used Priuses and drive them-- **2010 Prius is the best rich person car.**
9. Stop buying clothes: you probably have enough clothes to last you two lifetimes already in your closet. My suggestion is if you want novelty, just take some scissors and turn your jeans into shorts, or cut off the sleeves off of your shirts to make them sleeve or if you're cold, just layer up. **Only poor people buy clothes.**

Essentially, the easiest way to become rich is not go broke. ***

Einstein's rule of money

So essentially, I've literally I think watch every single Michael Saylor interview that he's ever done everything that he posted to Twitter or YouTube etc. Maybe about 100 of them.

Anyways, probably the most fascinating thing that I've learned about the value of an asset is the value of an asset is essentially the cost of something or the value is something divided by the maintenance cost.

Now I think this is something that people don't really think about -- **the maintenance cost.**

So for example, now that all of my millennial friends are growing up, I'm 36 now, in four years, I'm gonna be 40 years old, everyone's trying to think about the future buying a single-family home or a condo or property or whatever. And what beguiles a lot of people or shocks people is when they buy a house, all the maintenance costs! Even talking to my friend Anton (congrats on your new kid!) he told me a story while we were in downtown LA about how he bought a house, but the water heater went out, and him having to fix it, and what a nightmare it was.

Also simple things that we millennials never think about... You need a new roof and boom, that's \$50,000. That's \$50,000 I would rather put into bitcoin.

There are so many things that exist on the planet, in real world, in embody reality which cost a premium in terms of insurance, maintenance, etc. Once again, **almost nothing in the physical realm is ever worth it.**

If you want a new car, just download some racing game to your iPad, or even PlayStation or whatever; better to spend 50 bucks on a virtual car then drop \$50,000 or more on a new one!

Or, just buy an oculus quest, play some racing game, at least this way you want to kill yourself, or another family in a car with two kids or more.

--> The worst thing in life isn't dying or killing yourself, but it is accidentally killing another family, accidentally killing kids in the car seat of another car, and you having to live with the guilt for the rest of your life.

“But it isn't real!”

Bitcoin is not real, but, if it costs \$800 billion to produce, it's real!

Let's again, **things must have a stake in the physical realm**, if it doesn't, it is just air coin, or the foundation is just built on cotton candy.

I think we must avoid these fake environmentalists, a bunch of vegan losers. Essentially, if I psychoanalyze a lot of these fake environmentalists; essentially everyone is seeking a new religion, a new godhead which is the “environment“, but

ultimately my critical thought is that once again it just comes down to money;

Vegan and plant based stuff is insanely profitable

For example, Al Gore, I wonder... How much money has he collected from doing his talks on *an inconvenient truth*, ultimately being funded by taxpayer money?

And also, James Cameron, and also Arnold, how much money they have collected from the vegan pea protein powder plant factory, **just follow the money**. Much more profitable to sell a \$50 container of vegan protein powder, than a meat company to sell beef rib or beef liver.

Also a random aside; if you really wanted to be a real environmentalist, you would actually have a **100% organ meat diet**, only beef heart beef liver beef kidneys and intestines, because these parts are typically thrown away.

Rich vegans

*“Being naked is the ultimate sustainable option. We’re number two.” -
Reformation marketing copy*

The truth is environmentalism is very profitable. For example a lot of these clothing companies, I think also like the new one *“Reformation“*, a female clothing company, they talk about sustainability and blah blah blah, but once again, is it just another marketing tactic to sell their mediocre clothes.

For example, people talk that leather in animal products are evil blah blah blah. Yet the truth is, you’re cheap vegan leather jacket which is made out of petroleum is probably 1 trillion times worse for the planet than a fashionable one made out of 100% real leather. A pleather vegan jacket might only last you a few years, a good leather jacket can you last you 50 or beyond.

Because if you critically think about it, **things which last, are better for the “environment”**. And typically animal products last.

I love leather!

Also nowadays, people talk about Native Americans and stuff like that, don't you know that historically the way that natives lived off the land was in harmony with animals, like can you imagine a Native American who didn't use animal power, ride on horses, or eat meat and bison?

Besides maybe virtue signaling America, there is no great civilization that has ever existed without animal products whether food labor etc.

I love risk

Once again I think the biggest issue is in today's world, nobody likes risk anymore. Risk is seen as something which is dangerous bad and to be avoided.

For example anybody who buys a Mercedes car an Audi, a Porsche a Lamborghini whatever... It is ultimately a risk free option in the sense that no one's gonna make fun of you for owning those type of cars. So in some ways it is a cowardly act;

For example everyone thinks a Porsche 911 is cool, a Lamborghini is cool, a Mercedes or an Audi is cool. Yet maybe I'm the only one with the big dick in the room, I brag that I drive a Toyota Prius? Everyone is always so shocked and impressed.

Real investors and economists must and should drive a Prius!

Real economics

OK, whenever I discover anybody who's a professor, who teaches in a business school, is an economist, academic or scholar or whatever... Yet just puts all of their money in a boring mutual fund... Or index fund... It is a signal that they are not a real economist, and they are actually not really connected to reality.

Risk = Happiness

We need some sort of risk exposure to the real world. For example, easy to be the typical fat American who is drinking beer or wine watching sports and American football, giving their opinion on sports teams and players yet they are not actually exposed to the risk of playing real tackle football?

And once again... The more I think about it the more bizarre it is. To watch UFC or mixed martial arts, to watch any sport that you have not yourself played... It kind of like mental masturbation? To sports?

Sports is masculine physical sports masturbation pornography?

Just think about it the average person eats nachos french fries drink beer or alcohol smoke marijuana before watching the big game. But what a athlete who is actually participating in the sport down a beer really quick before putting on their armor and hitting the field? Obviously not!

So why is it that alcohol food beverages is marketed to these individuals, for watching a sport?

It is the new risk free premium hedonism; the joy of seeing people get murdered on a field, or in our arena without any real exposure.

Don't hate me because I'm so much more physically dominant than you!

People are always so surprised that I played real football real American tackle football in high school, they are shocked to hear that I was linebacker, first outside linebacker then inside linebacker.

I think it is actually racism; you never expect an Asian guy to play linebacker because we are not seen as masculine or aggressive enough. But if I were African-American or black, even though I am on the more lean side -- you probably would

not be shocked, because in America, athletes are always seen as being African-American, never Asian. Even an Asian professional sports athlete is almost seen as a glitch in the system, not the real deal.

Even when first deadlifted 465 pounds, sumo style off the floor, and everyone was so shocked, I was talking to my friend Jemal and I asked him -- "If I was African-American or black, but people will be asshocked or surprised?" He laughed and said no!

So what should we do about things

So I think the first thing you have to think philosophically is what are you really searching for, and why?

My very simple thought is think 300 years ahead, your kids kids kids.

The New Hedonism

The current lifestyle is like the Persian slave lifestyle?

I think the issue we are facing today in today's world is hedonism -- the new hedonism. We seek companionship through humans or dogs, yet we don't want to have children, we want to preserve our freedom travel the world go to Japan eat good sushi whatever.

But, your dog cannot inherit your bitcoin.

I think maybe in the past life was actually easier and more straightforward people. You got married, you built up a family legacy and empire; this was actually a pretty good strategy in life. And I think people were actually much happier, productive, and joyful!

Think about all the modern day melodies of depression anxiety whatever, they are all modern day sociological ills.

In fact, the ancient Greeks, thinking about the Iliad; certainly things are natural like courage, cowardice, and fear... But depression anxiety was not.

My sociological theory on why so many people are so depressed and anxious is because of YouTube, Spotify, podcast, TikTok Facebook Instagram, Twitter, news, **fear porn.**

The joy of growth or death & destruction?

Have a theory; a lot of people are secretly waiting and twiddling their thumbs, they actually want to see the world burn to the floor, to be able to have the indignant feeling; "I told you... I was right all along!"

For example, all these people, are during Covid and pre-Covid and post Covid whatever, thought that there was gonna be food riots and blah blah blah, none of it happened. Humans are 1 trillion times more resilient than we make them out to be.

This is where also, philosophically I don't really believe in short selling; even if you could cop a massive profit.

For example there are certain things that I am certain which will go down to zero, like Ada Cardano and the like because it is fake. But rather than hoping that something is going to burn the floor, better to just bet on things that you think that will go to Mars!

For example, everyone hates Elon Musk, and they are secretly waiting and plotting for him to fail. Yet doesn't it take more courage to wish and hope and desire to see people succeed?

Even I remember the Tesla model 3; everyone thought it would be impossible, but now, it is certainly the new Ford model T; the coolest, most desirable, most futuristic and affordable car on the road. I personally plan on driving my Toyota

Prius until it dies at 1,000,000 miles, but if for one reason or another I was forced to purchase a brand new car, it would definitely be a Tesla, maybe the robotaxi?

Disruption

The reason why I encourage everyone to watch the Robo taxi, Robo van announcement is that it is the ultimate disruptor.

For example, the Robo van, the two door coupe, insanely awesome design, with the butterfly McLaren doors... I find like there is no more reason to ever even want to buy a loser Lamborghini, or McLaren or whatever. And I really really love that rose gold, MATTE Rose gold Color on the Robo taxi, and also the rims look awesome!

Why doesn't the future look like the future?

Once again, assuming that you're a futurist like myself, the trillion dollar questions "why doesn't the future actually look like the future?"

For example, if you really do believe in the digital transformation of things, like you care about Apple Tesla Amazon Facebook digital media whatever... Why would you ever buy analog property like a single-family home or whatever? Wouldn't you prefer to buy digital property which is bitcoin?

And also, issues with tax, property tax. Also assuming that you're a libertarian, or some sort of anti-government person, bitcoin makes sense because it is like **digital or cyber real estate that can't be taxed!**

And I think the truth is that real rich people, know how to do tax deferment, or to avoid taxes, this is a real reason they become and stay rich.

"My accountant so good I'm practically living tax-free!" - JAY Z

Never buy property in California (you will get murdered from property taxes)

For example, even if you live in the lowest tax jurisdiction place which is Florida, and nobody wants to live in Florida, still... Under a base case scenario you're still playing at least 1.1% in taxes. And that means then, the life of your asset is only 70 years; within 70 years Assuming you buy a \$1 million property, you're gonna pay \$1 million in taxes in 70 years.

Then, if you own a single-family home or whatever, or property the goal is actually trying to rent out your property at a premium, but two people who have never really had experience with property property management... It is a fucking nightmare and headache. Finding good tenants and keeping them; the holy Grail. Too much counterparty risk with properties; people who fuck up your property, end up not paying rent in squatting your place, people who start to grow marijuana inside your property, people who turn your property into a brothel (true story), or just physical wear and tear and decay. **Anything in the physical realm in my opinion has too much risk.** And this is where still... In my eyes, Tesla is too much of a risk. Why? Having to build all those cyber trucks, Robo taxis, is just in my opinion, too much of a gargantuan physical task. Even if you automate the whole thing with robots, still, extracting lithium from the Earth, making the cars, delivering the cars, my personal estimate is you won't see Robo taxis on the road for at least another five or seven years? To me that is too long.

Real world investing

I think the best investment is something that you have a 100% certainty will go up in 30 years, and you just ignore the volatility and the noise on a day-to-day level.

Can it keep going on up forever?

Yes especially if it is digital!

Think the classics

Also the funny thing is; bitcoin was the classic the first only immaculate conception; technically Ethereum from Vitalik was just a bitcoin copycat.

My very very basic suggestion is just download Coinbase to your phone, buy bitcoin from your traditional bank account, and once you're done buying it, delete the Coinbase app from your phone, and never check prices. And what you doing instead it's just go to michael.com, watch all the Michael sailor interviews, and read books on economic theory philosophy etc.

I personally believe that the best wisdom is in the past; read Aristotle on economics, Fernandinho Galiani on money Della moneta, the principles of economic theory from Karl Menger etc. you should be able to find free PDFs of all these online, just read it on your iPad.

Now what?

1. Download Coinbase to your phone, start buying those bitcoins
2. If you have a second car or some sort of asset that you're not really doing anything with that you really don't need, sell it, and use the proceeds to buy bitcoin
3. If you're stuck in the traditional markets, Ira or Roth IRA, retirement whatever... Very very simple just buy micro strategy stock, MSTR-- I think it's going to 10 X from here. My price target for Michael strategy is \$2000 a share. Currently trading at around low \$200s.
4. Do an experiment that the next month, just cook all your food at home, buy meat at Costco whatever... Amazon prime or Amazon fresh food, anything that is cheap; quit alcohol and weed for a month, quit eating out and going out for a month, and just put 100% of that into bitcoin!

so should I buy bitcoin or micro strategy?

You buy the bitcoin, and you never sell it, just keep buying it until you die, and the idea is just give it to your kids kids kids.

And you're a supreme happiness and joy is through weightlifting, one red maxing, and seeing the numbers go up!

My suggestion is never ever ever sell the bitcoin, for anything. If you need spare cash for living or whatever, better to borrow the money at 7% interest or lower, assuming that bitcoin is going to go up 21% year over a year, compounded rate forever.

I would say only by microstrategy MSTR if you just cannot get access to capital to buy bitcoin directly.

At the end of your life, he or she with the most bitcoin is going to be the winner. Or the corporate entity like micro strategy, who owns the most bitcoin.

The goal is a Nakamoto, which is the mythical 1 million bitcoins. The same amount of bitcoins in Satoshi's wallet, which he hasn't touched. This is currently \$60 billion!

What else?

honestly because I live like a poor person, for me, at this point investing is just a new passion, almost like a new hobby. Still for me my critical passion is photography, blogging and like.

So the simple thought; know that **investing in money is a means to an end not the in itself.**

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