

## Mohnish Pabrai's & Ramesh Damani's Q&A Session with Millennium Mams on May 8, 2020

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Rachna: Good morning, everyone, and a very special good morning and good evening to both our guests of honor and to our mentors, Mr. Dhanuka and Mr. Bhuwania. First, how about saying a big hi to Mr. Damani and Mr. Pabrai

Mr.

Bhuwania: Hi, Mr. Damani and Mr. Mohnish.

R Damani: Hi guys. Thank you so much. Great to see you.

Mr.

Bhuwania: Yes. Thank you.

Mr. Dhanuka: Can you remember my face? We met in Omaha last year.

Mohnish: I'm sorry.

Mr. Dhanuka: We met in Omaha last year.

Mohnish: Yes.

Mr. Dhanuka: You gave me tips for how to play blackjack.

Mohnish: Yeah. I heard you guys cleaned them out, right. Let's get started.

Rachna: Yeah, let's get started. On this note, let's begin the session in a slightly different way. We will begin by thanking our guests of honor and our mentors. Thank you, Mr. Pabrai, for the lessons we learned in Omaha, Circle of Competence and cloning is good. Of course, lessons on blackjack. Mr. Damani, for being a guide and a well-wisher, of course, our mentors. Mr. Dhanuka and Mr. Bhuwania. Thank you, sirs. Without you, we wouldn't have had the confidence to face these challenging times. Let us all give it up for them, but please be mute.

Turning homemakers into investors and entrepreneurs requires passion and commitment. Our mentors have persevered through the last 27 years with these two qualities to transform our lives. Mr. Pabrai, you mentioned that the best charities should have a balance between heart and head. Thanks to our mentors, mentor Dhanuka sir for having maintained this balance, we have been

able to support the underprivileged in the interiors of Bengal in these trying times. I want to salute on this platform, the Mams and the real soldiers who have selflessly and efficiently taken charge of distributing essential supplies to the very remote corners of Bengal, like Nadia and the Sundarbans. Special mention here, I would like to mention Pooja and Sreela and I would request all of you to please go through the experience, and I would like to express my gratitude to everyone involved in this mission.

This was a gesture to say a big thank you to everyone involved in this mission. Coming back to the session, I would like to take the privilege of introducing our guests of honor. What do you get when the guests at a forum are hardened patrons of Warren Buffett and have more than 55 years of combined investing experience, I call it an investing masterclass without precedent. While both have their roots in India, they have blossomed in different parts of the world. One in India and the other in the US. Their investing prudence has made them famous worldwide, while one of our guests is a Dhandho investor, the other referred to as the Nawab of Dalal street, who has been the mentor of Big Bull Rakesh Jhunjhunwala. We've had the good fortune of meeting both gentlemen, but today's tete-a-tete is going to be a game changer for us in these challenging times. Mr. Damani has been a guiding force for us and has had a major contribution to the success of our Omaha trip. Blackjack intended. Sir, we have imbibed your lessons on timeless businesses dealing with disruptions and the power of compounding and continue to practice them. Mr. Pabrai is an international author and founder of Pabrai Investments Fund. We are fortunate to have learned lessons on the circle of competence, and cloning is good from him in Omaha last year. Mr. Pabrai was really lucky for us as we ran into Charlie Munger at The Marriott Hotel where we were attending Mr. Pabrai's session.

The common thread that runs between Mr. Pabrai and Mr. Damani is that both have a background in technology and have very deftly transitioned to investing Tech's loss in the capital market scale. The gurus of investing are ready my dear friends, what are we waiting for? Let's get started with the conversation and as we are all impatient and eager to hear and imbibe what they say, we will be taking up the questions after the conversation. Mr. Damani, Mr. Pabrai over to you, over to you sir

R Damani: Give us a slight introduction and then we could have a conversation with each other, if that's okay with you, Mohnish.

Mohnish: Yeah, Sounds great.

R Damani: Right. Why don't you start and just set the stage for what you want to speak and I'll follow up.

Mohnish: I would just say that I'm always very excited to interact with the Millennium Mams' because even in our charity at Dakshana, we are far more excited when we support a girl than when we support a boy. I think that when we support a girl, I think we have impacts which go well beyond the girl, the whole family,

and several generations in terms of a wide range of changes that happen. With the boys also, the change happens, but it's a little bit different. It's the same reason why Grameen Bank went with the women and such. I would say the foundation of households is a huge advantage if the women are financially literate and if the women understand just the basics of investing and compounding. Actually, those fundamentals are really simple. I mean, the first thing is, "spend less than you earn", and that spending less than you earn is squarely in the hands of the women for the most part. I think women in households can be the drivers of the savings which become the cornerstone. Then the second part is that you don't need to take heroic actions or even understand companies or any of those things. I think just consistent long-term investing in broad indices over a long time will deliver great returns. The magic of compounding is that there are three variables, the capital, the length of the runway, and what ends up being the analyzed rate of return. There's an interplay between these three variables. You don't need a high rate of return if you have a very long runway. If I were getting 50% a year for five years, or 5% a year for 50 years, the results become almost interchangeable. It's very important to start very early. Even the amount of capital becomes very limited. If we get a chance today, I'll go through some interesting stories of compounding with the Indians that sold the island of Manhattan to the Dutch just to show how small sums can become really large sums even without very high rates of compounding over a period of time. Looking forward to the session.

R Damani: Yeah. Thanks Mohnish. First of all, thank you, Rachna. Thank you Bishnu Ji and thank you Bhuvania Ji for inviting us today. Very grateful for the invitation. I've, of course, had the privilege of addressing the Millennium Mams' in Calcutta, and that has always been a lot of fun. A lot of my wife's friends were in the audience, I got a lot of chances to poke fun at her at that time. But it was all in good fun. I'd like to start by first wishing all the Millennium Mams' here happy Mother's Day. In fact, some of you may be grandmothers also. Happy Mother's Day to all of you. Please enjoy yourself at home with your kids, and we all know that is the most precious part of our being is our children. I hope you all have a great Mother's Day. As far as I'm concerned. How have the last 60 days mattered? In some ways I've changed, in some ways I haven't changed. How have I changed? Well, I haven't shaken anyone's hand for the last 60 days, so people think I'm scared of CV 19, that's why I'm not shaking hands. What I'm actually afraid of is that people are running out of toilet paper. That's why I'm not shaking hands. My wife thinks nothing has changed. She said before the CV 19 lockdown, I was eating, drinking, watching TV and sleeping, said, after the lockdown, you're doing the same thing. I said, no, I'm now watching TV and sleeping at the same time. There is a difference between pre CV 19 and post CV 19. But levity aside, I just thought I'd speak on some basic questions, which all your members would have just to try and get that out of the way. Then we'll engage Mohnish and me in a conversation back and forth. The first question that I get when I interview other people is, when will we return to normal? I

mean, that's the basic question everyone wants to know. When will we return to normal? Unfortunately, the data is not very good. As an aside, I've been reading a lot of people on from Buffett who says that this is something he's not experienced to people like Trump who says that magically this will disappear, and things will get better. But the most cogent explanation I found for what's going on in return to normal is, I found a video, an Oprah Winfrey interview with Dr. Michael Oster Holm. It was done in 2006, and it seems like Dr. Michael was talking yesterday, the clarity of his thought and what was happening he was expressing in 2006, but it actually happened. It feels like it's happening yesterday. The video is on YouTube. I would sincerely urge all of you to look at it. His name is Dr. Michael Oster Holm, and the typical conclusions that he comes up with, he says that by the time this gets over, it'll be 16 to 18 months. You're barely three weeks or three months into this pandemic right now, and 60 to 70% of us will be infected and there be serious economic lockdown effects from what's going on. Remember, he said this all in 2006. I would tend to think that we will see lots of peaks and valleys, parts and regressions in this pandemic crisis. It's not going away very soon, we'll just have to learn to deal with it. Regrettably, I feel that India is probably entering the phase New York was in last month, which we are just on the edge of despite the lockdown being in effect for four weeks in all major metropolitan areas.

We're just on the verge of the anecdotal evidence that I get from talking to people suggesting that hospitals are full and the number count is increasing dramatically. I think return to normal as we know it, that we go to a stadium to watch a match. We take a plane for a wedding, I think, well, maybe 16 months, 18 months away. The other question I want to address directly is, we always thought that the GDP is losing trillions of dollars right now. Why is the GDP number that important? Why should we focus on that as individuals? The best explanation I got from that was from a former US Treasury secretary called Lawrence Summers. Lawrence Summer said, "it's a moral imperative that the emerging markets grow at about six, 7% a year. If they do that, that means they'll double the GDP every 10 years, and if they double the GDP every 10 years in a generation, which is 20 years, the GDP can grow 4x. We'll go from a two and a half trillion-dollar GDP to a 10 trillion GDP within one generation. That means that the average per capital income, if our population remains stable, we'll go from \$2,000. It is currently to maybe \$10,000. That's the moral imperative we need to get GDP to grow so that we can pull people out of poverty in India, we cannot accept the status quo, that they'll be a rich class and a poor class, and we are indifferent to their lives. I think we have a moral responsibility to pull it. It's very important that GDP growth in India comes back at 6, 7%, because without that the economic inequality that is being exacerbated by what's happening is going to be fairly severe. The last point I'd like to invest is, how do we invest in this time? I think Mohnish and I will take this up, but broadly my view is that if you're busy in your life, you are working as a lawyer, you're working as a doctor, you're working in a shop, and you don't have time for investing, the best way for most of you is probably to do an index

investing and do it when markets are low, like they're at the current time. But make sure you're doing it for like 15, 20 years period. If you're going to look at that index every three months or six months to see if you made money or you are doing better, you probably are not going to do better. Unless you have a 20-year view, I would suggest that index investing is not good. For the rest of you, if I feel, for example, that there is a second wave coming of coronavirus cases, we might see the market headed lower, headed to the lows it made on March 23rd. If you are the type who gets very nervous when the markets go lower, it's perhaps better to wait it out with the caveat that at any time in life, if you find something that's very attractively priced, you think the risk is all in the price, you should, by all means, go and buy it even today. But generally, my feeling is that the market is bitter, and disconnected from the reality on the ground. That might be due to liquidity, or it might be due to any other reason, but I would be careful about putting all my money to work at this point. The last thing I'd like to do is to shout out to my friend Mohnish who joined us. I've had the privilege of visiting his facility at Dakshana in Pune. I can tell you from firsthand experience that it changed me because what I saw was the future of India I want, a Democratic India, a secular India, a merit-based India, an educated India, and one man having such an outsize impact is the philosophy that my friend practices that you have low risk, but high upside. It is remarkable. I would suggest to Rachna that whenever we start traveling again, whenever it becomes normal, I hope you all get a chance to visit the Dakshana foundation. It's truly extraordinary work that Mohnish is doing. It's a great honor to be sharing the platform with him today. With that we will open it up to

Rachna: Yeah, it would be an honor to visit.

R Damani: Yeah, I think you guys will really enjoy it. We can now start the conversation, Mohnish.

Mohnish: Absolutely.

R Damani: Great. Shall I ask you the first question?

Mohnish: Yeah, yeah, yeah. Go ahead.

R Damani: Yeah. Mohnish, other than Munger and Buffett, who we all know you admire?

Mohnish: I admire, my kids admire.

R. Damani: Fair enough. Who are your heroes in life? Who do you feel that you learned from, or do you wish your life was more like their lives and why?

Mohnish: Well, I think that there are many heroes and Charlie Munger always says that we should not limit our heroes to people who are living. He always says that the eminent dead have some of the best people who are heroes. Even for me, even though I have gotten to know Warren and Charlie and I have a friendship more

with Charlie than Warren. I think most of my learning from them has come not from the interaction with them, but just from

Rachna: Mr. Pabrai, we can't hear you.

Mohnish: What about now?

Rachna: Yeah, now it's fine

Mohnish: Okay. All right. We have many heroes when we move beyond the living ones. Of course, for all of us, I think our greatest two heroes are our parents. I think those individuals always tower large in our brains. I think in my case, I got tremendous head start in life from both my parents on several fronts. But I think that if one opens up to the eminent dead, if you look at, I will say the cast to characters who are living, I think there are so many people that one crosses paths with, and you can learn and take things from many people. I remember one of my good friends is in the UK. His name is Nick Sleep, and some of you may have heard of him. Nick Sleep used to run, I think, north of a billion dollars. The portfolio just had three stocks. He just owned Amazon, Berkshire, and Costco. He's owned those three stocks forever more than 10 years or so. A few years back, he wrote to his investors, and said, "look, I am going to return all your capital because these are the three stocks I own. 10 years from now, these will be the three stocks I own. Every year you're paying me ridiculous fees and this is not the way I want to live my life. Please take the money I'm sending you back, buy these three stocks. You don't need to pay anyone. I don't want to be coming into the office or dealing with anything to do with investment business". I've never heard of anyone, other than Warren Buffett, shutting down his partnership. Nick Sleep just shut down things. Warren shut it down because he thought prices were too high. Nick and his partner gave up what would've been probably hundreds of millions of dollars of future income. Then he went on to write a bicycle across China and a bunch of different things that he did. I was just thinking, now we are in the time of Corona, those three stocks are Corona proof. I mean, nothing's happened to Amazon. Costco is booming and Berkshire sitting on a big cash pile, and they're in great shape.

Even though Nick may not have planned for a pandemic, it's interesting that his three stocks portfolio just suddenly hits a pandemic and there's no impact. It's amazing. We can learn from all kinds of places and, there's a lot to learn from people like Nick Sleep, not just about investing, but about life. I think you just pick up different things from different people and that works out just fine.

R Damani: Share with you just to go ahead. Mohnish talked about, other than Buffett and Munger, which of course have been my heroes too, and for a long time, the stock market used to have people like Jim Rogers, all of them who I studied, and sometimes I've worked very closely with them sometimes, but as I've aged as I've crossed 60, you want to do different things in life and I tried to think things people have done that had a great impact, either had a great impact or live the second life. Two, or three names that really stood out to me from what

I admire. One, of course, is lately what Bill Gates has been doing. I mean, he was ahead of the pandemic cross pandemic that was happening four or five years before it actually hit us. Even today, he's pouring billions of his personal money into vaccines, not knowing whether it be curable or not in that factory. Plus, he's lived what I always admired, his second life. He's built the greatest technology company in the world. Even today it's a trillion-dollar market cap. At one point, he just woke up one morning, gave the keys to an immigrant from India, Satya Nadella, and said, "Hey, you guys run it. I don't want to run it anymore". Think about that. Think about rebuilding a trillion-dollar company and then handing the keys over to some immigrant and saying, hey, you run it. I want to do something else in life. There's a deep desire, I think, within all of us to do something else, to have a second act in life. I think I really started admiring him. If I were to be bold enough to guess, I think when this settles down, he's probably going to win the Nobel Prize for the work he's done in global health, particularly with the pandemic. He's someone I've started admiring a lot. If you read his biography, he is such a hard, strong businessman. But today he's the greatest philanthropist that the world has known. That would be one. The other one is also very close to where Mohnish stays. There's a guy you may have heard of, he's much younger than me, but I truly admire the work he's done. He's called Sal Khan of Khan Academy. What he does is he puts tutorials on Math, English, History, on the net free to use so everyone can access it. Suddenly he is democratizing knowledge, and it's become huge, it started with tutoring his cousins. Now there's 60 million people who use it. Bill Gates talks about it fondly, and I wish I had that idea. It's such a great idea that he came up with such beautiful execution. He did it not because he wanted to make money, he did it because he wanted to give back to society. That small amount of giving back has made such a huge impact with so many kids in emerging markets that I think as we age, as we get to that 60, 65, we all want to think of what our impact in life will be. Is it going to be only monetary only in financial markets, or is there some deeper calling? I hope I can find my deeper calling, but these are the people who have inspired me in the last few years.

**Mohnish:** Yeah. Just on Sal, I think about a year ago we did a MOU and joint Venture with Khan Academy, where we are experimenting with something we call Dakshana 2.0. We've started to work with some government schools in India where we are seeing if they have math teachers, if they didn't have Math teachers, and Khan Academy has a set of offerings which are designed for the classroom. There are super set of videos that they have. We are leveraging those, and those have a lot of tools built in for testing and tracking the progress of each child. We've been now working for close to a year. It's phenomenal because they have a 30% team in India, and we get some great support and help from them. It'll take us a few years to get the data we are looking for. But I'm quite excited about that.

**R Damani:** Thanks Mohnish. Mohnish, of course, we can't have a conversation without bringing in Buffett and Munger and talking a little bit about them. As you can

imagine. Give me something off the wall that you've learned from Buffett or Munger.

Mohnish: I think one of the biggest lessons that came out was one that just came out at the Berkshire annual meeting. I think most people would've been surprised that Warren did not go shopping. He always complained that he had all this cash, and he had no place to put the money, the data that he gave at the meeting, I mean, he actually even suggested during the meeting that Berkshire doesn't have much money. He says, "when you look at the range of outcomes, the cushion or the cash cushion they're sitting on is not that high". We have never heard him say that before. The other thing was that I think what Munger mentioned was that they're like a ship captain and the worst tempest you ever saw. He says, our objective is to get to the other side safe and sound, not to go and focus on buying a bunch of businesses. I think they mentioned that they will, they're open to doing deals that make sense. But it was interesting to see that they've actually been net sellers of equities in the last four months completely out of the airlines, which I think is was a no brainer kind of decision to make there. But I think the second thing is there, the big disconnect between what markets have done so far. Even though I don't overdose on what markets do and what is happening in the real world. I mean, if you look at it from the US perspective, we've had more than 33 million people files for unemployment. It's more than 20% of the workforce does not include all the Uber drivers and all the big economy workers and all that. The real damage is even higher than that. At the peak of the Great Depression, we hit 25% unemployment. We may go pass that peak here which is quite stunning. The stock market has just brushed it off. Warren talked about it at the meeting where he said that the crash of 1929 is not really the crash of 1929, because the markets went down a bit. They came back up, and then people thought, okay, we are done. That's when the real decline came over the next two years when it dropped another 85%. To me, I think that there's a big disconnect between what is happening in the real world and what is happening in the equity markets. I think the only conclusion I can draw from there is it's not a bad idea to build cash. Even if one ends up, even if none of these gloom and doom scenarios kind of play out one can start putting it to work a year and a half from now and such. But I think that the recovery from what we are seeing happen in the world will take a long time. Most of you probably know this, but most businesses are extremely fragile creations. They have learned to survive with very brutal competitive forces acting on them. They are barely able to survive, they make a few percentage points of profit in normal times. Bill Gates used to say when he first started Microsoft, that he wanted the company to have enough cash so it could go for two years without getting paid and that he could pay his staff for two years if Microsoft never got any revenue. Most businesses cannot pay their staff for even 30 or 45 days if there's no revenue. Most businesses cannot survive for even a few weeks. What we are seeing going on in the real economy with small businesses across the board is a lot, it's huge. Not accounting for this, I think caution is a good way to approach this.

R Damani: I'll just follow up with the question Mohnish for you because I want you to introduce him to our audience. Munger's CIO, if you will, is a guy called Li Lu right now. Talk a little bit about him. I know you know him. Why does Munger like him so much, and do you have a contemporary view of what he thinks of what's going on?

Mohnish: Li Lu and I have been friends for many years. I think the first time I met Li Lu was 11 years ago. Charlie introduced the two of us and he forced us. He said I don't really care whether you really like each other or not, but I want you guys to meet at least once a month for lunch. What we used to do is we did that. We basically used to get together and meet, and I got to know him quite well over the years. This would become a long topic to go through, but on this call, I think Li Lu had a very unusual childhood, a very difficult childhood. He was one of the most wanted men in China because he was one of the leaders of Tiananmen Square, and the Chinese government basically wanted to put him away for good. Some people in Hong Kong helped smuggle him out of China. Then they got him to Columbia, and he actually did three degrees at Columbia simultaneously. He did an undergraduate degree, an MBA, and a law degree. He finished all three degrees in four years. That's kind of unprecedented at Columbia. No one's ever done that before or since. The thing is, he was on student loans at Columbia, and they used to give him the money ahead of maybe three, four months ahead of when he had to pay his rent and other things. He used the in effect student loan float and invested that. By the time he finished at Columbia, he had made a million dollars on the float, and he was a millionaire.

R Damani: Wow.

Mohnish: Yeah. He was a millionaire, basically. He was like, they would give him 20, 30,000 dollars for the semester, and then he'd start investing that, and it would be 70, 80,000 by the time he actually had to give the money and so on. He did really well as an investor. He used to be mainly a venture capital investor doing early-stage businesses and such. Then he later switched but I would say Li Lu is very much kind of a Swiss army knife kind of investor. He likes to get to know the companies well. He tends to hold them for a very long time. He has a very rich understanding of these businesses. I've had some amazing conversations with him. I don't know how much of it he wants me to put on the public domain, but I would say that he's got very unusual wiring and both Buffett and Munger, one of the big things they bring to the investing game is they're really good at focusing on the downside. They immediately horn in on what can go wrong rather than what can go right. They're able to put a lot of things away very quickly. Li Lu is quite similar. He's very focused on what can go wrong, but he is also very good at identifying long runways and getting to know the entrepreneurs and the business leaders. Then he has some companies in his portfolio that have been with him. He's had them for 15, 20 years in the portfolio. Unusual wiring, wonderful guy.

R Damani: What is his current view on the market, if you can share something, and what does he feel about this?

Mohnish: I think that his perspective is similar to what I'd outlined, where I think that we have a lot of unknowns here. The one thing about this crisis is, unlike other crises that we've had, there is a definitive end date almost so for sure, a definitive end date when we cannot have a fear of catching the virus and such. That definite end date, maybe it's 18 months away, maybe it's 15 months away, we'll have to see kind of when that date comes. That's one thing good about it. But I think that the degree of damage and many of the things that can happen with the pandemic are not easy to forecast. The second order, third order effects are not easy to forecast. I mean, for example there are US hospitals that are suffering a lot. They're laying off people because they have no business. They have shut down the elective procedures, and the hospitals make all their money on elective procedures. One would've thought healthcare is booming. But the one fifth of the economy in the US which is healthcare is having issues. Like CVS was saying that their normal prescription filling rate has gone down a lot. There's a lot of concern about health issues that will prop up because we are kind of deferring a lot of stuff. We can get unusual effects. If you look at auto manufacturers, for example, those supply chains are so fine-tuned that the tire shows up 20 minutes before it's put on the car. Those are very finely tuned supply chains. When you have this type of shutdown takes place, and three parts are missing, your line can't move forward, you will have a lot of impacts of that kind that go on.

I think that the other thing about this crisis is that they are not the ones who are really impacted. We've seen that in India but globally it's the have not's that were the first to lose the jobs, the have not's who have the lowest amount of staying power and savings and so on. The polarization of wealth that we've seen over the decades is going to get exasperated with this crisis. I think that Li Lu would be quite bearish. We already know Buffett and Munger are quite bearish. What I have learned with these guys is that their intellect is beyond human intellect. I don't even fully understand all the reasons why Buffett and Munger are bearish. All I do know is to pay attention.

R Damani: Yeah. That's exactly the point I wanted to understand from you, because a lot of the smart money that I talk about here, also Mohnish, are unusually bearish. I mean, you go on 30 years of buying the dips, market is recovering but a lot of the sense I get from the smart money is that they believe this time it's different and that we will not have a V-shaped recovery. Well, just because the stocks are down 30% is no reason to step up and buy those stocks. The strength of the NASDAQ, for example, here today, it's showing gains now is perplexing even though I understand that technology is playing a huge role in people's life, we're just surprised at the speed at which the market has recovered as opposed to the real economy, which is still in the doldrums. I wanted to just share I think you shared that.

Mohnish: I mean, if we were on a desert island and someone told us all the things that happened in the real economy, and someone asked me to guess where the Sensex is or where the Dow is, I would say more than 50% down.

R Damani: Right.

Mohnish: That's what I would have expected. If you take 30, 33 million people out of the workforce, I'd say 50, 60, 70% down and that's not where we are.

R Damani: I agree with you. Someone told me that World War II ended on May 7th, 1945. Right? Exactly 75 years ago. Someone told me that you don't realize it, but World War III is already started and the protagonist antagonists are China and the rest of the world. What do you think about that Mohnish?

Mohnish: In the history of the world, there has never been a situation where power has risen to challenge an incumbent power, and everything has been peaceful. That has never happened in the history of the world. The rise of China is inevitable. I think on many fronts, we will see significant growth and power increase on the Chinese side. The United States has been so used to getting its way for so long. I mean, for a while we had the Soviet Union, but then that went away. We've had this unipolar world where the US kind of runs around and does whatever it wants, and it's not used to someone else telling them you can't throw your weight around. It's throwing its weight around. Right now, US China relations are probably at a multi-decade low. It's an extremely dysfunctional relationship right now. It's a very sad situation that we are in that type of situation because the world is a vastly better place when the United States and China have a lot of cooperation and goodwill towards each other. We will have to see, I mean, there's kind of like a fog of war. It's kind of hard to tell when you're in the middle of these things, but I would say that China is clearly rising. It's less and less interested in being relegated to a secondary role. It's trying to assert itself in a number of different ways. The US is not used to someone else asserting themselves. There's a lot of conflict on a lot of fronts between these two countries. I hope we can get past the pandemic, and we can start resolving these things.

R Damani: Mohnish, you talked about there not being a comparable period, but let's go back to World War II, which I started with. In the late 1930s, there used to be a saying, the sun never sets on the British empire, meaning everywhere the Sun rose, there was a British colony somewhere, and then America became the emerging power of the 20th century. Britain accepted its role in life as being a second cousin, a poor neighbor to America. That transition was handled pretty peacefully. You feel that there was something in history where there can be peaceful transitions.

Mohnish: I think the downside is so extreme for humanity that everyone has a lot of incentives to get there peacefully. But I'm just saying that there are inherent issues here, the range of outcomes is wide and some of the outlier possibilities are ugly. I hope we don't get there. Let's just talk a little bit about this Chinese

America problem. From what I understand, 80% of American medicine is made in China. 95% of antibiotics are made in China. I don't know how much of the treasury will market the Chinese zone of America. Maybe 30, 40% of the treasury market is owned by China. I mean, is it a political stunt by Trump to paint a villain in order to ensure re-election or are there some deeper festering issues? Because my sense is that this is a battle where both will lose. As the say goes, "when the elephants fight, the grass gets trampled". All of us who've been trying to get out of the emerging market syndrome will probably lose in this.

**Mohnish:** The United States has some very valid grievances against China. Trade with China was not fair. China took significant advantage of the United States for a long time, and the United States, to a large extent, allowed that to happen across the world because it benevolently wanted the world to rise. The US did the Marshall Plan to help Europe get back on its feet. It has given a lot of countries very favorable trade deals, including China to help them rise up. The US perspective is that, once you have risen enough, then those things need to get revisited, which is what the United States is doing. A lot of the trade issues that the US has brought up as being irrational or extreme but from a Chinese vantage point, they will appear to be irrational and extreme.

**Mohnish:** That's where we get the beginnings of conflict. Also, I think what will happen because of the pandemic is the United States and many countries around the world are going to redo their medical supply chains. I would be very surprised if 10 years from now the United States has the dependency it has on India or China for this level of medical stuff coming from overseas. I think they're going to make sure that there are huge stockpiles in the US, and I think all the world is going to make sure the stockpiles, but also they're going to make sure about having critical capacity in the US for what is perceived as core products and services that are required. I think there'll be a lot of redoing of supply chains, global supply chains along those lines.

**R Damani:** You talked about China and India. A lot of us in India are salivating that India is going to become the new China, the supply base of the world. It seems a bit too optimistic to me. What do you think are the prospects that investment in India will come to make it an alternate supply based to China?

**Mohnish:** India dropped the ball big time. I think right from the time that the United States started increasing the tariffs on China, India had a very wide-open playing field to take that business. It didn't take that business. If I just contrast India with Vietnam, Vietnam is running out of labor. People with the amount of work that's moved from China to Vietnam, almost no work has moved from China to India. The reason it hasn't moved is, India is a difficult country for many multinationals to move their supply chains to. The government, I'm just sorry to say, didn't wake up to this fact and didn't act on this fact. I think that the red tape bureaucracy and all the nuances that are there, which prohibit manufacturing from coming to India is a very different picture in Vietnam versus India. Vietnam, a small country has gained a lot. India has a very favored

relationship with the United States. On a personal level, Trump and Modi get along really well. The United States would love to have more of their trade with India and that a lot of the Chinese stuff move over to India. All the pieces are there except North Block and Delhi not being where it needs to be.

**R Damani:** Would you be encouraged by the recent investment that Facebook and Silver Lake partners and Vista have made in reliance? Is that opening the door a little bit to American investments coming in?

**Mohnish:** That's more of an exception. I mean, the big money is not in these passive investments that you're making inside blue chip Indian businesses. I think the big money is that when you move some small bicycle manufacturer, manufacturer all his bicycles in India and sells them to the US. Just those types of things we have not seen happen. We've seen those move in mass to Vietnam. I think that we can't really read much into the Saudis or Facebook investing with the Ambani's, because that's an extremely well run operation. Just huge market position dominant, share a lot of good things about that footprint. But that will not get us to the holy grail.

**R Damani:** I agree. I mean, generally, we've been very hostile to foreign investments, historically speaking. Even in the current contemporary times, whether it was Vodafone in India or whether it was Walmart in India, we've had ministers come and see.

**Mohnish:** Yeah. We changed the rules, they invest in flip card and then we change the rules. I think that the core of allowing businesses to come into India and have a very seamless experience unfortunately that is still not there. It is very sad because it would dramatically increase employment, and we are the incumbent to take it.

**R Damani:** I agree. But assuming that we cannot replace China or even part of what's in China, what's the India story? I mean, we've a long time talked about India's 1 billion population striving middleclass has been the narrative that has driven markets for the last 10 years at least. What is the narrative in the next 10 years? I mean, what moves in India? I mean, how do we become a more prosperous society according to you?

**Mohnish:** Like they say, India grows while the government sleeps at night. I think that we've had a lot of good things take place in the private sector. If I look at what has happened with Gio and broadband and internet, and 4G, 5G access, those are very critical pieces of infrastructure that enable growth. We need that. The area the government has to play a major role is to lay the brickwork, lay the infrastructure, great roads, great highways, great train service and plane service and all that. We've had the private sector take over a lot of that. Like India's aviation sector is very competitive and robust. India's mobile sector is very robust and doing very well. But I think that some of the other places we fall down on physical infrastructure are places where the government is involved

where the private sector is not so involved, and where the government is not pulling this weight.

**Mohnish:** I mean, if I just look at what China has done with rail, with high speed rail and the amount of track laid, and if I just compare that to India, I mean, if I looked at India when the British left in terms of the kilometers of track, then in 1947, and versus today, it's a pathetic growth rate. It's hardly changed. In China, tens of thousands of kilometers of track laid and these bullet trains and all that is a real infrastructure that has led to real growth. I think the role of the government is to enable the growth and make it seamless and then stay in the background. But we have a lot of issues. We have Dakshana Valley in Pune. We don't get three-phase power for four days a week. India has power plants that are sitting idle. Why would you not have power available all across the country when you have more than enough generating capacity? We have these kinds of backward policies that lead to these kinds of strange outcomes. It's terrible. You cannot have a rapidly industrializing society, which is power starved just cannot happen.

**R Damani:** Can happen. But do you feel that this is the price you pay for a democracy? That in fact, the way for an imaging market out is perhaps a benevolent dictatorship that if you're going to have a democracy will always underperform?

**Mohnish:** Churchill used to say is the worst system except for all the others. Yeah, definitely a benevolent dictatorship would be better, but we would be very hard pressed to know in advance whether a dictator is going to be benevolent or not. The odds are against a dictator being benevolent.

**R Damani:** But the odds also that the communist system blows up, like Russia blew up. I mean, the odds are that the Chinese, well, India have a lot of chaos underneath the surface. China has no chaos, but it could blow up. I mean, is that the risk of investing in China?

**Mohnish:** Say that the Chinese people have given the Communist party of China a long rope, and the Communist party for by and large has delivered on that long rope. If you look at the economic growth that has taken place in China, most people in China would agree there would not be possible in a democracy. The mandate was given to the Communist party, and the Communist Party has delivered. Of course, there are a lot of dissatisfaction and rumblings with lack of freedom, speech and so on, so forth. But so far that society has been willing to pay that price because of the development. We will have to see over time as economies get prosperous. Then at that point, the citizens are looking for more than just economic prosperity. That whole equation will go through some tension. We'll have to see how that plays out.

**R Damani:** Mohnish at least you have the option of investing anywhere in the world that you want, yet you choose to invest a large percentage of your portfolio in India. Why is that? Can you suggest to us how you've tailored your portfolio based on current events?

**Mohnish:** My entry into India has not been wise. It has been very unwise. We haven't so far had a great outcome from the investments we've made in India. I've had far better outcomes with my investments in China and in the US. But yeah, it's also a kind of point in time. We don't have enough history. I do believe that the investments we have in India, I do believe in the next five or 10 years, they'll do very well. India, I think, has a number of positives. Very great class of entrepreneurs. Good class of business leaders, governance, getting better. Because we have such a large growing population there is pent-up demand or a number of areas, as long as the government is providing the underlying infrastructure, great education, great physical infrastructure and such, the rest of it will follow. But that's a big if, we'll have to see how that works out. I hope it works out. But we have a great demographic dividend. We have a very young country. I also don't think that India will face a big issue from a CV 19 perspective, because the average age is 28 and it's super-hot. Very few parts of India get really cold. I think that age is going to help us out a lot. Dodge quite a big bullet over here.

**R Damani:** I don't know about that Mohnish, even 1% of a hundred grows is a pretty big number. I'm not sure whether you know the age.

**Mohnish:** Well, the real CV 19 fatality rates, they're starting to believe is in the much less than 1%. I think they're in the point to or so range. That percentage also is skewed with age. If you have fewer people who are older, you are generally going to have an overall lower mortality rate. For example, in all the weeks and months that India has exposure so far, the numbers have been quite low.

**R Damani:** The operative word is so far. My point is that given the poor social distancing, the poor sanitation, and the bad crowded conditions, I hope you're right. But as you say, prepare for the worst. I hope you're right. I hope it doesn't happen. But let me share with you some of my thoughts on where to bet on the markets, then maybe you can share some of the bets that you made in India for the benefit of our audience. To me, the one thing that seems obvious now in India globally is communication. I think companies will be valued based on communication, fine individuals. I mean, I have a three-year-old grandson who needs to be connected to the net to take his classes. The first play in India post CV 19 seems to me to be communication. If you look very hard, there may be 2.1 plays in India in communication. That's a good sector that investors can start looking at content of, of course is going to be very important. That's much harder to play. But there are a few ways that you can probably play content, mainstream television sporting events, people own the rights to do sporting events. I think that would be a good place to play it. I read something Mohnish that started with me today in the Financial Times. It said that when Wuhan lockdown was going on, the banks were closed, but nobody noticed because they've all moved to digital banking in China. Given all these things, can you tell what your portfolio construct is, and are you going to add or subtract based on some of the things I've said?

Mohnish: I would rather not go there. The reason I'd rather not go there is that I think that it's dangerous. In my opinion, for individual investors to listen to some names and then go place by orders or whatever, I just think that it's a fools game there because the thing with investing is that what makes things difficult is, I mean, yes, we can clearly tell which businesses have great tailwinds and which businesses will do well, but whether the investors in those businesses do well or not is a different question. If I take an example of a company like Amazon, there's no question that Amazon will do very well in the future. But when you start looking at it well, how would an investor and Amazon do when you're buying into a trillion-dollar market cap that becomes a more difficult question to answer.

It's not an obvious answer. I remember that in late 99, or, maybe it was early 2000, one of the most senior guys in an Indian Microsoft, he had left Microsoft, but he was one of the very first Indians who had worked under Bill. He ran a PowerPoint for them. PowerPoint was an acquisition that he ran for them. Then eventually retired, but he had joined Pabrai Investment Funds few months after it started. He told me, "Look, if you're ever in Seattle, I can introduce you to some people at Microsoft who might be interested". I said, "by coincidence, I'm going to be in Seattle Day after tomorrow".

He said, "Yeah, come on over". I went to Seattle, and I spent a day where he took me from one office to the other. A lot of these very early Indians in Microsoft who eventually rose in some cases all the way to drop, they became investors in Pabrai Investment fund. Then at that time, I told them, "Listen you guys have 95% of your net worth in Microsoft, and your livelihood comes from the company, and I think you're going to have a terrible outcome holding Microsoft stock from here on out". Microsoft at that time was a \$600 billion market cap, earning less than 10 billion. It was a great business then, just like it's a great business now. But these guys who I was mentioning this to, looked at me and said, Okay, this is some guy who's trying to get us to give him money to invest in whatever he has no understanding, because they had never seen a decline in Microsoft stock price ever from the time the company went public to 2000 and from 2000 till almost 2013, 2014, the stock was flat. In fact, it wasn't even flat. It went down more than 50, 60% and then came back. It was a terrible ride for the next 15 years, even though the company grew a lot in those 15 years. The money they put in Pabrai Investment funds did a lot better than the money that they kept Microsoft. I think that when we look at these businesses, I mean, if I look at, let's say, Reliance Jio, Facebook has invested recently, and Silver Lake has invested, it's hard to find businesses higher quality with more dominant market share than Jio. I mean, incredible business run by superb executors, all of these good things, right? But how an investor does invest today is a very different question than how an investor would've done investing 20 years ago, or 10 years ago.

I strongly encourage the Millennium Mams to focus on indexing dollar cost averaging. In most of your cases, you've got several decades of runway ahead,

and most of your assets are in the future earning power of your families. That's where the bulk of the wealth sits. I think the bigger suggestion here is to increase savings while having a good time. If you have several decades of runway ahead, then equities are a good place to be. The index is a good place to be. Actually, the other thing that a lot of Indian families, especially wealthy Indian families, don't take enough advantage of is that the government allows the quarter million a year to be sent out of India. Getting exposure to the S and P 500 and such is not a bad idea because then, you get exposed to the Amazons and Microsoft of the world as well.

**R Damani:** Way of saying what you said Mohnish is of course by the margin of safety that not necessarily that a good company is a great investment. Yeah, the point I think that people need to understand just because the business is good is, it is priced into the stock prices, and have to figure out all the time. What we'll do is Mohnish, we'll talk a little bit about gold. Cause as you know, a lot of the Millennium Mams' and women all over India are in love with gold. What is your view on gold? What is your lending? We'll discuss that and we'll have questions for 15 minutes of the remaining session. What's your view on gold?

**Mohnish:** You guys may have heard what Buffett's view on gold is. He said that "if you put all the gold in the world together in one place, you would get a cube that would be 80 feet on each side". 80 feet cube would be the size of this block of gold. He said that "if you were a Martian looking at planet Earth, you would see these humans digging these holes in the ground, taking out this shiny material, melting it, and making it into kind of blocks, then making more holes in the ground where you're building walls and sticking this metal back in the ground". They would see this whole activity and wonder what the hell was going on? Right? Gold, from Buffett's perspective, is a non-productive asset that 80 feet cube does not grow every day.

100 years from now, it's still going to be 80 feet cube if I take that money. I don't recommend you do that. But if you put it into Reliance Jio or S&P 500, for example that's a growing, because those are productive businesses where they create output gold sits there. It has value because people give it value intrinsically, it's not a productive asset. I think my perception has been that Indian women have been moving away from gold. I think it used to be forever in India, that you put all your money in real estate or in gold, maybe some in FDs. Everything did really well because real estate never went down, and gold always did fine.

**R Damani:** Because of the regulation.

**Mohnish:** The reality is that gold has gone down quite a bit over the last several decades. It hasn't had a straight ride and real estate has not gone, it used to be more than 20% a year for several decades. That is not the case. I think that what I see happen in India is a move towards equity markets. I think that move is going to continue to keep going. But I would say that if you like gold jewelry and you're

going to wear it and enjoy it and all of that, you should absolutely buy that and enjoy it. But I don't think you should be investing in gold to invest family assets. I think that's not a good way to go.

R Damani: Mohnish, my favorite quote about gold was from Buffett also where he says, "Yeah, you can buy gold and you can fondle it, but it won't fondle you back". Something to remember, one thing that Buffett, and I'll just wind up with this question, Mohnish a lot of the new age people that you meet in Silicon Valley, in California, for example, say, as gold is a relic of the past, we don't like gold. We don't understand gold, and people will lose confidence in gold at some point. It's only the value because we say it's valued so much. But we do believe in bitcoins in the digital alternatives. You have a view on that. Do you think the world will move to Bitcoins as a gold standard? Would you invest in Bitcoins?

Mohnish: There's a friend of mine who's a venture capitalist in Chicago, and I've known this guy for like maybe 25 years. I used to live in Chicago, and Christmas cards, whatever, we hadn't really kept in touch. He contacted me a few years back and said, "look, I'm coming to Orange County, and I'd love to meet you for coffee, whatever else". I said, "Yeah, sure, let's meet". He came to the office, and I just asked him, "how's it been going?" He says, "did you see my profile in Forbes?" I said, "No, what happened? Educate me, like, I have no idea".

Forbes had apparently profiled these Bitcoin billionaires, and he was one, and he said, "Mohnish, based on current Bitcoin prices, my net worth has gone well past a billion". I thought he was just kind of an okay VC, nothing like Sequoia or something. I said, "Wow, Matt, that's awesome, man. Listen, unload the whole thing, man. Just take the billion and put an end to the ride". He said, "No, the ride is just getting started. This is going to go to hundreds of billions". I said, Okay, I told him, "Listen, I'm the village idiot on Bitcoin since you are over here, why don't you educate the village idiot on why I should be going all in on Bitcoin?"

He's very articulate. We spent a couple of hours, and I did not change my viewpoint that Bitcoin, quite frankly, the value of a Bitcoin I think you just take it and cash it out. I don't think that long term it has a value. But anyway, so what he said to me was, said, "look, I really want you to understand this universe. What I'm going to do is, I'm going to send you a Bitcoin, okay? Then I want you to open an account at Coin base". He explained all these things to me. I said, whatever. Then I was surprised. A couple of days later, he sent me a whole Bitcoin, okay? At that point, I think the Bitcoin price was like four or \$5,000. I told Matt, I said, "I can't take \$5,000 from you". He said, "No, we had such a good conversation, blah, blah. I want you to have money". I opened a coin based account. I put my one Bitcoin there, and then the next thing when I blinked, it was at like 19,000. I said, "I am out of here". I placed my cell out of a Bitcoin, and for some reason, they would only sell less than 10,000. Half a Bitcoin sold in my account, got locked, I couldn't do much. Then recently I went through a lot of process, got it all done, and I got rid of the second half, I think

at 12 or 13,000. I got like 15,000 or whatever from Bitcoin. That is a good 15,000 for me to use in Vegas whenever it opens to start a new compounding engine. But that's my view on Bitcoin. I think it's just files, put it in a two hard pile or a strange file or whatever else, and don't go there. What's your take Ramesh?

R Damani: I used to share your view and I used to share the Buffett Munger view that its trash. But after this crisis, I'm not so sure anymore. I mean, I can't. The Fed will keep printing money and you will still have faith in the dollar and still have faith in gold. I think people will want something removed from the Central Bank. Would I put 4% of my wealth into Bitcoin? I might do it because as you said, there's an asymmetric payoff sometimes in these things. Unlike other assets, like dollars or tech treasury builds, there are only so many bitcoins that are going to be mined in the world. As close as I was to the idea, I think even three months ago, suddenly after what has happened in the world, I'm not that close anymore.

Mohnish: I want to give you a Li Lu book recommendation, please. We always get these Buffett book recommendations and Munger book recommendations.

R Damani: Yeah, I'm writing it.

Mohnish: No one's ever going to give you a Li Lu book recommendation.

R Damani: That's a great gift.

Mohnish: It's only in the Millennium Mams' zoom call you get such data. Nowhere else. It's exclusive content for Millennium Mams'.

Rachna: It should be shared with Millennium Mams' sir.

Mohnish: Yeah. Li Lu had recommended a book to me, his most recent book recommendation. It's called The Other Half of Macroeconomics. It's written by a guy named Koo. Like where a lot of books, I think the guy could have finished the book in 10 pages. A lot of books should be 10 pages long. But then they go on for 200 pages. But I think that if you read even the first 30, 40 pages of the book I think it explains, it's the only explanation I've found for why, and it's a very credible explanation for why we did not get inflation when the Fed printed all that money. Because it was always a mystery, right? Even now, when the Fed is printing all the money that it's doing right now, which I think is the right thing for it to do, it is unclear to me that we will even this time around get inflation. I think it's a good book to read. We will kind of explain a little bit about what's going on, but also, I think one more thing, since we're on that subject, I think if you think about a family, and I'll give it to you from a US perspective. If a family in the United States has a net worth of, let's say a million dollars, for example, there were seven, eight crores and this whole pandemic hits and all this stuff, and they eat about 50,000 or \$70,000 into their savings as they get over this pandemic that family can easily absorb that shock.

I think if you look at the United States if you look at household wealth in the whole world, every man, woman, and child in the whole world, household wealth globally is around \$400 trillion. Out of the \$400 trillion, 100 trillion is in the United States. The entire household wealth of the 300 odd million humans in the country is about a hundred trillion. The GDP of the US is about 22 trillion approximately, and that GDP may go down 30, 40% because of this pandemic before it starts coming back. This family, which is, if you think of the US as one family, the family has a hundred trillion, that family can lose 5 trillion or 7 trillion, and it won't even feel it. In fact, this family has a hundred trillion, now, the net worth of this family in 2009 was less than 50 trillion, 50, 55 trillion.

The family has more than doubled its wealth in the last 10 or 12 years. The United States, what it appears to be doing, like it's printing \$5 trillion and so on. You must look at that in the context of the wealth of the country. It's like a family with \$10 million spending half a million dollars or \$1 million spending \$50,000. I have the viewpoint that the US Fed and Buffett alluded to that Jerome Powell will go down probably as one of the greatest Fed governors, because the actions he took are unprecedented. I mean, the Fed has never dealt with anyone other than banks. They, for the first time ever, bought commercial paper directly from issuers. They've never done that, ever in their history. He did several things, and he is going to continue doing a number of things, but we have to take it in the context of his family worth a hundred trillion. If they spend 5 trillion or 7 trillion, or even 10 trillion this family can handle that. It should be okay, but you'll enjoy the book.

R Damani: Thanks for the recommendation. I think we'll take one or two questions from the chat format if you have a few minutes left Rachna?

Rachna: Yeah. Yeah. Maybe one or two questions sir?

R Damani: Yeah. You can look through the chat questions, Mohnish, and pick your favorite one.

Rachna: Yeah, whatever.

Mohnish: Why don't you ask the question you want, because there are so many questions here. Why doesn't one of you just ask a question you want to ask?

Rachna: Yeah. Srila, would you like to ask your question?

Srila: Good afternoon, sir. This is Srila from Calcutta, and it's been a very enlightening session, but just like to know your thoughts on what there is at the end of the day, a huge trust deficit with China. How do you see that trust deficit affecting the world with its incumbent growth? How do you see it affecting us?

Mohnish: I think, yeah, China may have a trust deficit. They understand that they're also trying to build some bridges. They sent doctors to Italy and they've been sending a lot of medical supplies all over the world. China is trying to do its part.

They're working very aggressively on the vaccine. They're hoping that it's a Chinese vaccine that goes global. I think China understands that they've got an image problem, and they're trying to work on that. In the long run, the world needs China and China needs the world, and it's too important for a part of the globe to ignore or write off or cut off. I think at the end of the day, we'll find a way to work it all out.

Rachna: One last question.

R Damani: You can ask, Rachna.

Rachna: Yes. Okay. Sushma wants to ask about the other half of macroeconomics and the fate of globalization, hardcover.

Mohnish: That's the book I told you guys to go ahead and read. But even before that book, if you haven't read Poor Charlie's Almanack I think that should be the number one book. I think in Poor Charlie Almanack, from page 440 to 494, which is the psychology of human misjudgment, that's those 25 psychology, human misjudgment, I think those give you such a huge leg up in life because you start understanding the quirkiness of humans. I think that those things can give you a big leg up on relationships.

R Damani: Mohnish, I'm disappointed. I thought you'd recommend The Dhandho Investor.

Mohnish: *"Dhandho Investor ko sabne padh liya na already"*, so that's fine. But I would say that, like many times when I go to meet Charlie for dinner in fact, the last time we had dinner was just before the Covid shutdown. I think March 7th was the last time I had to know him, I'll be talking about some dysfunctional relative of mine with him on this, and he's super interested. I'm telling Charlie, this guy, you never want to interact with this guy. He's got all these problems, but no, Charlie's very curious about humans, and he doesn't really care about who these humans are or whatever else. He wants to figure them out, right? He wants to understand them. Many times, I've gone to Charlie with my personal issues and different things, and the way he's able to slice things in terms of understanding how humans work and understanding how life works. It's just amazing. It just gives you a big advantage in life. I think that last part of the book, which is the talk he gave at Harvard, and then he modified that talk, I tried to read it every year, reread it, and there's so much wisdom and so much because it took Charlie 50, 60 years to distil that wisdom into that talk, and we can just get that by reading it one shot. It's a huge advantage.

Rachna: Mr. Pabrai, I would like to tell my members one thing, that you went on a charity lunch with Mr. Buffett. What is the takeaway, you would like to discuss here on this platform.

Mohnish: Well, that lunch went on for more than three hours, and I think we had more than 50 different questions for Mr. Buffett. In fact, he told us that he had nothing going on all afternoon, so whenever we get tired of him, we can tell

him to leave, and he'd leave. He didn't even set any time limit. But that was a wonderful lunch because my daughters at the time were 10 and 12 years old. They sat on either side of him. They got a lot of input and direction from him. It was better for it to come from him than from us. Yeah, we covered a lot of topics. Like for example, he told my daughters that the single most important decision you will make in your lives is who you decide to marry. I'm glad he was the one who said that, because if I said that you just go from one ear to the other ear.

R Damani: I wish he had told me that, you know?

Rachna: To all the ones do all the young girl, listen to this.

Mohnish: Too late. But the thing is, they still remember that. They still understand what he meant by that. I think for women, the thing is, on many fronts they get the shortest straw in life. But I think it makes a massive difference who your spouse is.

Rachna: Are you planning one whole lunch on Zoom, Mr. Pabrai with Mr. Buffett?

Mohnish: Mr. Buffett. *"Abhi lunches bahut limited reh gaye hai"*. But I should say this about the Buffett lunch, after the lunch with Buffett, in the process of setting up the lunch and where we were meeting and all, I got to know his assistant Debbie quite well. I told Debbie, I said, "Hey, listen Debbie, Guy and I would love to take you out for lunch, Okay?" She said, "Listen, just come to Omaha one day earlier, like, come on Thursday and we'll go for lunch". For a few years, I think for four or five years, Guy and I would go one day earlier to Omaha and go out with Debbie for lunch. The lunches with Debbie were better than the lunch with Buffett. Way better. Because I used to tell Debbie, I said, "look, Debbie, between us girls, can we talk? Can we talk as like close girlfriends?" She'll say, "Yeah, of course. Mohnish, what do you want to know?" Then I would ask her, and of course, now we know something. I said, "Does Warren have a cell phone?" She starts laughing. She'd say, "He has a cell phone, it's in my drawer, and he doesn't use it. When he leaves Omaha, I charge it and give it to him. He only knows how to call me from that cell phone. What he does, he opens the phone, he calls me, and then he tells me to tell so and so to call him. Then they call him, and that's how he uses the cell phone". Then I ask, the way he handles his correspondence, right? His mail that comes in and his work habits, it's just minutia. I wanted to understand how he spends his day. I found lunch with Debbie was way better than lunch with Warren. It was just a lot of fun. In fact, one time I went to just share the kind of person, Mr. Buffett, is that one time Guy and I we would, we would always go to Berkshire's headquarters. We'd go up to the 14th floor, then we'd meet Debbie, and then we'd go for lunch, right? We went up to the 14th floor and Warren was standing at the elevator to greet us. I was really surprised because we had nothing scheduled with him. He said, "Listen, Debbie told me you guys were coming. You want a tour of the headquarters?" I said, "You want to give us a tour"? He said, "yeah, I got nothing

going on. Let's take a tour". We spent like half an hour, 45 minutes going through the whole Berkshire headquarters, and he's going through all the art in the world. This is the long-term capital letter I send. This is the first BNSF stock Certificate. This was some arbitrage I was doing with Ben Graham. All these memorabilia throughout the office. Then he goes and shows us his Coke fountain, where you can get his Cokes and all that. Finally, we were about to go for lunch, and I felt like maybe the guy has no company for lunch, so maybe he wants to join us, right? I said, Warren, listen, if you want to come and crash to lunch when we are having a Debbie, you're more than welcome. We have no problem having you join us, right? He said, "no, they've already brought me my lunch". He said, "Debbie, where's my lunch?" She says, "It's in the fridge". He goes to the fridge, and I kid you not, the strawberry milkshake will be at least one foot high. This huge, big strawberry milkshake. He takes the milkshake and then he goes to the office and says, "this is going to be a great lunch". Then he shut his door. In many ways, I think my younger daughter, after our lunch with Buffett, I asked her what she thought. She said, "He's just a kid". Actually, I think that's the most correct description I've ever heard of Warren Buffett from anyone, because Warren Buffett says he only eats what he used to eat when he was five years old. He has not changed any of his not added a single dish to his repertoire of what he eats. Whatever I eat at five years old, he still eats. There are no vegetables that are in the diet. Like his daughter was the one to ask, does he have any vegetables? She said, "Is ketchup a vegetable? He has no vegetables, and he is 90 and he's in great hell. He's exactly like a kid in all these different ways. It's like a kid playing the game Monopoly". That's Warren Buffett.

Rachna: Thank you so much Mr. Pabrai. Thank you, Mr. Damani. I would like to read a few messages before I sign off, I would like to share our memories of last year in Omaha. Let's just read the few comments by our members. Brilliant session. Amazing takeaways. Can we keep the session going? Most of us our questions have got answered in such a fantastic session. Oh my God, and so on. Like, it's endless. Thank you so much for being here with us today and taking out time from your such a pressing schedule and Mr. Damani and Mr. Pabrai. We would like to end on a positive note with our video, a throwback video, which I experienced at Omaha last year. Swati, can we have the video, please.

Rachna: Thank you so much, gentlemen. Today's conversation is going to be a game changer for us, and I'm sure we shall incorporate these takeaways and be ever grateful to both of you. Thank you for sharing your honest comments. Thank you everyone and thank you so much for being there.

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