

The Disciplined Investor Podcast – Guest Interview Summary

Guest: Robbie Miles

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Summary

Live and Let Live Mission

Robbie discussed the mission of Live and Let Live, a reconciliatory force founded by Mark Victor, which aims to promote peace and tolerance by encouraging people to agree not to aggress against each other and to treat others well. He explained that the organization focuses on identifying areas of disagreement and fostering tolerance rather than seeking absolute consensus. Robbie also shared his personal journey from being a portfolio manager to focusing on the Live and Let Live project, where he now shares his trading insights for free on a membership platform.

Market Trends and Economic Concerns

Robbie discussed the current market trends, noting that while history shows an overall improvement trajectory, there are concerns about structural issues related to money printing and liquidity. He observed signs of disinflation in the U.S., citing factors like stagnating housing markets, slowing wage increases, and declining oil prices. Robbie expressed caution about the current bullish sentiment, suggesting that bonds might be more attractive than equities in the near term, despite long-term optimism about AI's potential impact.

ESG Investing: Challenges and Insights

Andrew and Robbie discussed the evolution of ESG (Environmental, Social, and Governance) investing and its challenges. Andrew shared his initial interest in ESG-based analysis and research, while Robbie reflected on his 11-year career in investment management, emphasizing the importance of sustainable investing. They explored how ESG factors, such as employee satisfaction and customer reputation, can influence a company's performance, despite not being directly visible in financial statements.

Sustainable Investing Challenges and Criticisms

Robbie and Andrew discussed the challenges and limitations of sustainable investing, particularly the misconception that avoiding certain industries like fossil fuels will lead to

better stock performance. They highlighted how companies often engage in greenwashing by purchasing carbon credits to improve their ESG scores, undermining the integrity of sustainable investing. Robbie also criticized the regulatory response, noting that it often comes too late and results in broad, arbitrary policies that can prevent investment in genuinely sustainable companies. Andrew added that such regulations can impose unnecessary administrative burdens on companies, including diverse hiring requirements, which can distract from genuine sustainability efforts.

Sustainable Investing: Challenges and Framework

Robbie and Andrew discussed the limitations and unintended consequences of sustainable investing, which often prioritizes financial returns over genuine societal benefits. Robbie emphasized that solving moral issues through the stock market is ineffective and that laws are necessary to address problems like pollution. They also explored Robbie's investment framework, which focuses on energy as the foundation of economic activity and identifies companies enhancing energy efficiency and benefiting consumers. Andrew and Robbie agreed on the importance of fundamental analysis in investing, combining value and growth strategies to find companies with a competitive advantage and reasonable valuations.

Contextual Analysis of P/E Ratios

Robbie and Andrew discussed the importance of context when evaluating a company's P/E ratio, emphasizing that growth potential should be considered alongside the P/E ratio to determine value. They highlighted that a PEG ratio below 1 indicates a company is undervalued, while factors such as corporate governance and board alignment are crucial for long-term success. They also noted that while Tesla's governance issues were concerning, the company's visionary CEO and board dynamics had allowed it to thrive so far, despite potential risks.

Macroeconomic Shifts in Investment Strategy

Andrew and Robbie discussed the evolving role of macroeconomic factors in investment decisions, noting a shift since 2010 due to increased global liquidity. Robbie emphasized the importance of sentiment and technical analysis in predicting market behavior, while Andrew highlighted concerns about excessive stimulus and its long-term implications. They also touched on the potential for rising oil and gas prices and the bearish outlook for government bonds. The conversation concluded with Robbie agreeing to send an updated bio and picture for the episode.