

Glenn Surowiec on Value-Oriented Investing on the Right Side of Change

Glenn Surowiec, Managing Member of GDS Investments, and John Mihaljevic, Chairman of MOI Global, recorded a fireside chat for Latticework 2021.

Glenn and John explored the topic, “Investing on the Right Side of Change While Applying Value Principles”.

This conversation is available as an episode of Invest Intelligently, a member podcast of MOI Global. (Learn [how to access](#) member podcasts.)

The following transcript has been edited for space and clarity.

John Mihaljevic: I am delighted to welcome Glenn Surowiec to this conversation at Latticework 2021. Glenn runs GDS investments which he founded in 2012. Many in the MOI Global community have gotten to know Glenn over the years from his contributions to the community and through my conversations with him. We’re truly grateful to you, Glenn, for making yourself available to share your insights and ideas.

I thought it would be fitting to invite Glenn for this conversation at Latticework because the theme of this year’s Latticework is intelligent investing on the right side of change. I plagiarized that from you, Glenn. I’m sure others have said it as well, but I heard that idea of investing on the right side of change from you. I’d love to talk to you about that, especially as I know that you do so while staying true to value investing principles as well.

It’s not just pie in the sky, “any valuation goes” investing. Rather, it’s about finding companies you believe are positioned to grow over the long term and yet are available at an attractive valuation. Maybe we could start by having you tell us a little about that approach and how you came to embrace that investment philosophy.

Glenn Surowiec: Thanks for the warm introduction! I’m certainly glad to play a role in Latticework 2021.

Let me take a step back. I’ll describe briefly what I do in terms of the companies I try to look for. I’ll also flip that upside down and talk about what I don’t do in terms of companies or situations I try to avoid. Then, I’ll build out that “what I do” section a little from there.

In a simplistic way, the more mature I get as an investor, I certainly look to buy good companies. I’m not looking to overpay, and I’m focused on partnering with talented leadership CEOs – not only leaders who understand the capital allocation process, but who also have a real special culture, a long-term vision and strategy, and who are smart and pragmatic. To borrow a phrase from Will Thorndike, I am looking for that “outsider CEO.”

In terms of what I try to avoid it, it’s a lot of common sense. This isn’t anything I’ve come up with on my own. It’s a lot of reading about what works. It’s also identifying who you are as an investor, where your skills are, where your pressure points are, and where your stress is.

Everyone has their own winning formula. Often, I think about my winning formula, about what I avoid. It's simple. I don't like leverage in any way. I don't sell stocks short. I don't buy broken businesses and hope that somehow I can do anything about that. I don't partner with bad management teams. I don't like overpaying.

It sounds overly simplistic, but sometimes it is, in a way. But it's important to put this stuff down on paper. Maybe when you're in that period where there's a lot going on and there's maybe more volatility, it's always nice to go back to these things you can grab on to.

Building out on what I do - we've touched on this in previous conversations - the entire system is geared toward no short-term influences. I still think the biggest edge any investor has is the ability to think or have a long-term orientation. Also, patience is probably the most underrated quality in life.

There are a lot of good stock pickers out there because they have a sense of what's important to a particular investment - from both a quantitative and qualitative standpoint. It's the ownership phase that shakes a lot of people out - to just be in a world overly geared toward short-term behavior and certainly everything that wraps around that.

Anything you can do to think long-term is important; that is the spirit of your original question, John.

If I can put the kinds of investments into two general buckets - it's important to study what I call magical companies - but to do it with a value orientation. These are companies with this great value proposition where it's a combination of convenience, selection value, and high levels of engagement in terms of the time spent on the platform. You also have a CEO who can carry out the culture and vision; the execution is there.

When you look under the hood at things like customer retention and loyalty and the size of the addressable market, you can see the stars are aligned for a long runway business. In a perfect world, those are the kinds of businesses I want to own for a long time.

To steal a phrase from Jay Hoag from TCV - I think in sports metaphors - it's like sitting on the sidelines and just applauding a basketball player like Michael Jordan. It's a long game, but I also think it's a game few people are able to play.

We've talked in the past about how I don't mind investing in turnarounds. I'm not willing to sacrifice the quality of business, so I'm not looking for businesses that might be under some secular threat and hope that somehow a management team will reconfigure things, hire in a different way, and pivot in a way to create value because I also know statistical headwinds apply to the ability to execute that.

Those were the two buckets of "I like to have" companies, but the underlying ingredient is I must trust management. I want to partner with people I respect and who understand capital allocation in a deep way. But I also want a business that ranges from at least above average to elite.

Mihaljevic: How do you think about change in the world and the types of companies likely to be hurt versus helped by change?

Surowiec: We live in an environment where companies can create an enormous amount of scale quickly. The corollary to that is you can also quickly evaporate a lot of what would have been structural advantages.

It's understanding the playing field today. It's being patient but thinking through how the competitive landscape might shift in a favorable but also an unfavorable way. You don't need to look far to see what's happened.

Every vertical is almost subject to some level of change. In the last two decades, the poster child vertical is traditional retail where there were structural disadvantages for virtually all of retail. You might be able to make a case like a Home Depot or TJX because of the niche they're in. It might be hard to push those things online.

But, in general, most of what was in old retail was at a structural disadvantage from a cost standpoint to the extent that you could move that online, not have to deal with the same overhead, and also deliver. Getting back to that three-legged stool I talked about with value, convenience, and selection, you could see how traditional retail was severely disadvantaged.

But you can also make a case when you go through different verticals. You see change in terms of how people consume TV and audio. You see changes in banking. I don't have a strong opinion about how this all shakes out, but I'm saying if you invest in banking – maybe you're in a Vive or even a Wells Fargo or even the payment side of it.

A month ago – and I might get some of this wrong. But directionally I'm right – Amazon in the U.K. said it would not accept any Visa credit cards (not debit cards). Amazon said the cost is too much of accepting that particular card payment, and it continues to be a headwind for the larger goal that businesses are after, which is to provide the best prices for their own customers.

That is a situation I would want to understand. Visa and MasterCard are respected in terms of the underlying economics, but are the economics at the expense of its customers? That's a legitimate question.

That's something that, even though the stocks have pulled back, this seems to be a headache. This seems to be something people complain about; they don't like these fees and a lot of people don't know why they're so high. There's all this money floating around in the system. For once, you have a company like Amazon with enough scale to do something about it. But my guess is if Walmart looked at its cost structure, this would also be a source of headache.

I want to be in a value-creating ecosystem or platform. That's the most desirable thing.

I listen to your podcast, John. A couple weeks ago, you talked a little about consumer product companies. Before people thought companies and the brands associated with them were irreplaceable. Today, people don't seem to feel that way. A lot of these old stalwarts, these steady Eddy types, have been pushed aside.

Mihaljevic: One name in retail that's done extremely well is Costco. It's a favorite of value investors. What do you think about businesses like Costco? Are they on the right side of change?

Surowiec: Let's unpack that a bit. Costco's DNA is unique. Even though it's in retail, Costco is a low-cost machine. It has built something hard to displace in some ways like what Walmart has built. Costco has everything. It knows how to make money at low margins. It has a hiring culture that results in lower turnover because employees can make decent wages even at entry-levels. You can also have benefits. Costco also has exclusive items. The Kirkland brand is in of itself not just a retailer. The Kirkland brand has tremendous value in its own right. It's only available at Costco. If I owned Costco – Costco is in a different situation, for sure.

The online retail vacuum cleaner will probably go to weaker outfits only because it's not in my mind, but you can also say it's like an AutoZone for different reasons.

I try to consistently reverse-engineer companies that have done well. You must be intellectually curious, right? A lot of people talk about Amazon and Netflix. Well, what made them great?

Look at AutoZone. Here is a company that figured out a different formula. It's in retail, but management did things differently. What is its competitive advantage? It's been able to drive a lot of margins through private label, but when you need something, you know – because of its large inventory – that AutoZone will have it. It sells something that is hard to move online. AutoZone is legendary for its buybacks. But the fact that it has grown sales in the last ten years at around 50 percent – where per-share results are up 3X simply because the denominator is an impressive story no one understands. It's used different things – both on the operational side but also on the balance sheet side – to flex its muscle a bit.

There will be winners, but the list of winners will be shorter. A winner must have some special quality to protect itself. My guess is Amazon would rather go after an entirely new industry it sees as disadvantaged versus going after Costco directly. It would be better off applying resources doing the former – not the latter.

Mihaljevic: It's interesting because investing on the right side of change doesn't mean completely avoiding some sectors because, even in sectors under threat, there can be great companies able to deliver great results for shareholders. It sounds like it's worth keeping an open mind.

Surowiec: Absolutely. Costco has lived in this new world where so much of retail has moved online and management has figured out a way. It gets back to my earlier point about partnering with a CEO with a vision – a long-term vision – and who has developed a culture that allows people to think freely because the stuff of business is uneven and messy in many ways.

The average life cycle for great companies used to be measured in generations. It's not like that anymore. But in some industries, you see a funneling up of companies that were big and powerful ten years ago and which have gotten bigger and even more powerful. Eventually, disruption wins.

Mihaljevic: Yes, and your point that a company in a, let's say, threatened sector – if it will succeed big, it needs something special. AutoZone and Costco are probably in that category. It reminds me a little of IKEA and how consumers systematically undervalue their own time in assembling the furniture; they don't price that into whatever they're paying for IKEA furniture. With Costco, I see it as an almost enjoyable shopping experience.

I wish there were a Costco in Switzerland because I liked going to Costco when I was in the U.S. You have that experience in which the consumer doesn't even consider a cost versus imagine shipping an average Costco shopping cart by mail and the cost that that would add. There's your competitive advantage.

Surowiec: Coming back to that three-legged stool, how does the company fit into this idea of delivering value, convenience, and selection? Costco checks all those boxes.

Mihaljevic: Glenn, when you talked about platforms, time people spend, and having a great CEO, I couldn't help but think of Facebook because of the CEO that Zuckerberg has been in terms of growing and delivering shareholder value over the long term. Is Facebook on your mind? Do you consider it interesting here?

Surowiec: I have a love-hate relationship with Facebook. Let's break it down. I did own it for a period when it halved at the IPO. It's clearly a wonderful business. It's certainly been able to pivot as consumers have changed their habits over time. There was some concern initially about its ability to pivot to mobile. It has such a monopoly on what it does.

I want to own companies that are a win-win for its owners and its customers as well. I don't feel that way with Facebook. Once I did. I want people to be online, and I understand the entertainment

feature, but the educational feature is underrated. A lot of people spend time online, and the idea that you can understand a particular subject or particular person, or you can find incredibly valuable podcasts – that feature is underrated.

I'm a big proponent of making sure it's like owning your own inbox or whatever – just to bring it down to something people understand. But time is an incredibly valuable resource. I'm sensitive to what I subscribe to, what I listen to whether it's "This Week in Intelligent Investing" or "Invest Like the Best" or "Business Breakdowns." I'm sensitive to whom I talk, to what I watch. I look at what Facebook does as a large waste of time.

In one sense, I see it as clearly a great business. I don't necessarily agree with the role it plays in a lot of important events that happen in our country and how Facebook has become a platform for distorting information. It's become fuel for some things I'm just not crazy about. Even at its best, it's a source of entertainment whereas I would rather partner with things that are both entertainment and educational. It just feels better, and I feel better about what I'm doing.

But that's not to deny Facebook or Meta. It has so many wonderful qualities. If you're looking at the business, you can isolate or ignore the qualitative stuff; there's a lot to like about Facebook. It has a virtual monopoly, but I don't like what it does. Maybe because of that – maybe tobacco is too strong a parallel. I don't own it now. I'm okay not owning it.

Mihaljevic: What are some companies you would put in that first bucket that you either own, have owned, or are considering owning?

Surowiec: Certainly, Amazon is one; I've owned it on and off in the past. Amazon has been a huge net benefit for society both in terms of what it has done directly but also indirectly in terms of forcing competitors to change behavior. Amazon has exposed a lot of lousy economics that have stayed around simply because of an absence of someone who will say, "Well, this is ridiculous." It's taken a couple of verticals, and it's kept prices low. There's a win-win for the most part. Yes, there might be some suppliers that aren't overly thrilled, but the amount benefit unleashed to consumers is pretty impressive.

I like to think the Netflix value proposition is a win-win in a lot of ways in terms of a creator audience. Also, consumers feel pretty good about what they pay and what they get each month.

One of my favorite CEOs is Daniel Ek from Spotify. I have a lot of respect for Spotify does. I forget how he described it, but when you mentioned Facebook, this is the first thing that came to my mind. He used the words nutritious and delicious. Facebook is delicious. I'd rather be in nutritious companies, nutritious platform companies. I have a lot of respect for what Spotify is doing. You could say it saved the music industry because the industry was pretty much broken because it was driven by a lot of piracy. The online world – at least initially – had changed the whole distribution business for the worst.

Piracy was legal – at least at the time – in every country except Sweden. Here, you have this guy who said consumers might like it, but it's hurting the music industry because the money is not going to the creators who deserve it. A lot of money still goes to the legacy model, but he said he wanted both creators and consumers happy. He wanted a value proposition for both. He's doing that with podcasts and things like that. There's an opportunity here to create something within that broader audio category.

I listened to your podcast last week about Twitter. I own Twitter. I like Twitter. I use Twitter. Parag is a thoughtful, insightful CEO. Twitter brings lot of value to the table – both from an educational and entertainment perspective. It hasn't had nearly the success of Facebook in monetizing its user base,

but there's an opportunity. It delivers to consumers more nutritious, rather than delicious, product.

Mihaljevic: Glenn, I'd love to talk a little about valuation and how you think about the right price to pay because I know you're a value guy. You've invested successfully in things like the GE turnaround, which is a very different valuation case than a Twitter or a Spotify. How do you go through that process? What do you need to be comfortable?

Surowiec: Each business needs to be thought about a little differently. The more mature I get, I find that traditional quantitative measures of value tend to be a little overrated. It's not the right way. It's easy for people to make judgments from the number side of things. You can screen different companies. Lots of people do that. Computers do that. I don't know that, as an individual, I will come to the table with any particular insight or edge on the quantitative stuff.

I've given more and more thought to the extent that there's a critical margin of safety. It will happen more with the qualitative stuff than with the quantity of stuff. That's what I'm getting at. I think about being right about those qualitative insights. If I have a business – if you go back to that original framework where I have something unique and I have something with a long runway – and it is this winner-take-most opportunity – then I would probably be foolish not to move forward even if the company will not screen well in any metric.

I look at price-to-sales more than I look at price-to-earnings. It's okay in a certain environment if a company is aggressively spending to win an incredible opportunity. I know that, if you reverse engineer a company like Netflix, for example, and you look at its valuation history in the earlier part of the decade – the early stages of the last crisis like 2010 to 2012 or 2013 – it fluctuated between one and five times sales. But it didn't screen well. It didn't make a lot of money. It had a breakeven P&L mindset. It had low debt.

But it was investing heavily in becoming this great source of content and pricing its product at a place where consumers wouldn't sneeze if they had to increase it five or ten percent. The market from 2014 to today revalues it from 3X to 10X. But using Netflix is like the guidepost. Even today, the irony of this is it now has profits. You can say it has a more entrenched moat. It has way more debt, but the market has revalued it much higher.

Would I be comfortable paying the multiple that Netflix has today? Absolutely not. Even though it checks a lot of those boxes from a qualitative standpoint, I'm not paying eight, nine, or ten times sales for a company. It's probably outstripped what I'm personally comfortable paying.

With that said, I own these companies at lower prices. Let me just put a fence around what I'm about to say. I'm not pitching these today. But, at the same time, if you look at where a lot of companies have come down recently, if these companies weren't on your radar screen six months ago and you're now at the point of "hey, a lot has happened over the last six months" – not necessarily like Apple, Google, or Amazon, but maybe that next tier or two down within this great company sphere, like Spotify is down probably 35 or 40 percent from its high.

I have owned it for over a year, but if I were coming up with a list of companies I would want to get closer to – maybe in anticipation of another cycle of volatility – Spotify is certainly a company I would get closer to simply because it's down so much. It might not be down enough, but it should be a company people are least teeing up for a future purchase.

Twitter is the same thing. I'm not pitching Twitter at \$80.00, but it's down somewhere around \$45.00. A lot has happened. I would argue that it's probably a net benefit. Twitter's management has put out some decent goals for 2023. That would be a brand with a lot of relevance. The CEO change makes it

better. I don't know what people were looking for.

Microsoft's Satya Nadella was hired on February 4, 2014. I was researching this because of what happened with Twitter. Not ironically, the low in Microsoft in this last cycle was on February 5, 2014. There's probably something at Twitter that needs to be looked at closer. My basis is a lot lower, but I follow it relatively closely. There are things there, especially with Elliot and Silver Lake. There's enough value there. There's enough change happening – bringing it back to our original theme – where that would be a name people need to look at.

Mihaljevic: I won't dwell on Twitter because people have probably heard me talk about it enough on the podcast. When you talked about buying versus holding, it sounds like you're clearly drawing a distinction. The question would be how would you think about selling – would there be something on the price valuation spectrum that would cause you to sell, or would you need to see a change to the fundamental thesis?

Surowiec: Selling is always incredibly difficult. If there is an emerging business in the early stages of attacking a large addressable market, my mindset is that there are exceptions to everything. Of course, position sizing needs to be factored into this. But, generally speaking, I am okay giving that company a long leash because psychology is such that the market will always over- and underprice them throughout its lifecycle. What I need to do is control. I have control over what I'm willing to pay for it, but also during the ownership period, it's almost inevitable that it will get a little overvalued – even a lot overvalued – but the ability to grow into that and compound at an acceptable rate over a long period of time to me is a far more important determinant.

But there is some art. You must make sure your original judgments are correct. If your original judgments are right about the business and its management and you have a business that's reinvesting in the core and doing so in a relatively low-risk way and not just leveraging your balance sheet, then there are lots of situations where just being tolerant and patient with those situations will serve you well. That's where I went.

Other companies just don't have those characteristics. If you're a bit down the food chain in terms of quality, then your valuation parameters need to be a little tighter with how you think about valuation.

Mihaljevic: Makes sense. Let's talk a little more about turnarounds. I'm curious how you think about the success metrics there generally. What kinds of turnarounds have you seen succeed? Conversely, what do you think are the types of turnarounds you wouldn't touch?

Surowiec: Let me just answer the second question about conditions that I would need to see. I'll probably just revert to GE as a case study because there's some news on that and it's something I've owned a couple years.

Turnaround investing is tricky. It's not like I'm looking for broken businesses and hoping something magical will fix it. I want incredibly capable CEOs with a history. You can look at companies like Tyco when Ed Breen came in. Certainly, Ed Breen had a track record with Motorola. Ed Breen then goes to DuPont. That's a situation that, if you're investing in turnarounds and you see businesses put together in a way that doesn't make sense anymore and are creating the synergies they originally were but you now have a CEO that can see that, then that's a situation you need to study a little closer.

Decent business just might not be configured and optimized properly today. A CEO can carry out that vision and think about the business in a different way. If you have those things, your odds of success increase.

GE is always fascinating to talk to. It was probably the Morgan Housel quote where he said something

to the effect of extreme events in one direction will cause extreme events in another. It's so true in so many aspects of life. But, in GE, it's especially true because Jack Welch built in the '80s and '90s a hodgepodge of companies and it created this conglomerate structure. Each vertical just went out and bought lots of different companies. You had this huge rise of GE Capital.

Then you look at what Larry Culp inherited in October 2018. He's the first outsider CEO to run GE. He had a different mindset. On one hand you think of Jack Welch building up the company and buying lots of different companies and increasing the earnings reliance on GE Capital as the great risking. On the other hand, Larry Culp did the great de-risking. We're coming full circle and we'll have many more chapters now that GE announced in November it would split into three companies.

From an investor psychology standpoint, to be negative on GE today is every bit as criminal as being bullish on them 20 years ago at 60 times earnings when GE Capital made up 50 percent of the business.

As a turnaround investor, I look for a company that is built and has the balance sheet flexibility, has the underlying business strength. But I also look for a company with a CEO like Larry Culp to lead that company down the right path.

I always find it strange. The bear thesis on today equates to this huge lack of patience. You read quotes from different analysts. It's like investors will have to wait a long time, which is like a year to potentially realize the full value of the transaction. For the whole Jack Welch era, I was just starting out in investing. But I always found it strange that the market was essentially rewarding Welch for the four acquisitions per month. It was rewarding Jack Welch for the rise of GE Capital by paying this outrageous multiple on what it was doing.

Sometimes, the market gives you false signals on both sides. In other words, GE was - in hindsight, we know this, but intelligent investors already knew this - GE was never as good as the market would have had you believe in 2000. Now GE is not nearly as bad as the market would have you believe today. That would be a turnaround worth studying.

Mihaljevic: That's a great case study. Glenn, before we finish up, I'd love your thoughts on capital allocation and how that figures in this investment approach that you have when you take a growing business like Spotify. How do you think about capital allocation? Is that even critical there in terms of all the alternatives that exist? Or are you hoping those kinds of businesses just reinvest everything or as much as they possibly can in the business?

Surowiec: In the case of emerging growth stories, there's no right answer. It comes down to whether there is a partnership with management. But, at the end of the day, I don't have a controlling stack. Nor do I want one.

As an investor, we talked about balance sheet risk. I'm unwilling to take on management risk, but you must accept a little operational drift, if you will. The original vision that you think will happen over three, four, or five years might not happen because companies might pivot in different ways. I want a company with the infrastructure and governance in place so its management thinks of capital allocation like Warren Buffett or like some of our fellow MOI community members.

There are many CEOs who think about what they are doing there. Does it make sense to buy back stock? Or does it make sense to pay a dividend? I look at so many different companies, and I listen to competitors. It's amazing, frankly, how many times you hear managements say they will buy back stock because they want to offset equity dilution in the employee comp. That's a ridiculous reason. They also say they will pay a dividend because our shareholders expect it. Maybe that makes sense if

you have a mature company where their ability to generate cash far exceeds their ability to reinvest. I get all that.

But if you're just doing it just to do it, it doesn't make sense. When you tie those things to the return on capital – an ideal situation is a company that can reinvest capital at a high rate of return. When they can do that, I want them reinvesting 100 percent of their capital. To the extent they can't do that, then they have some less sexy choices to make.

But it takes a special CEO to pursue the less sexy option because they don't have enough high return on invested capital opportunities to pursue right now. Maybe they say, "We won't pay a dividend and we won't buy back stock because it doesn't make sense now. But it might make sense when there's some shakeout here."

I'm sure the DNA of a company like Danaher leads it to grow, but not entirely organically. Here's the underlying M&A strategy. I don't necessarily want Danaher to pay a dividend and I don't necessarily want it to buy back stock unless its stock is cheap. You might want it to build up cash somewhere like Berkshire knowing it can be redeployed when opportunities arise.

There is no one-size-fits-all mentality. It's a lot of art. It's also a huge amount of quantitative work. But, at the end of the day, it's having this symbiotic relationship between shareholders and CEO where they're not locked into any one strategy. They're just locked into creating value in a responsible, risk-adjusted way.

Tying that back to earlier conversations about how different companies create value, we've almost covered everything. We covered companies with a long runway that reinvested 100 percent of capital like Amazon. I just talked about Danaher and Berkshire. They create value in different ways. We talked about turnarounds. We talked about a company like AutoZone where management figured out a different way. They've done things that are operational, but they've also done things on the balance sheet side that are unique from being like, "Hey, we want to shrink the denominator," and they don't pay a dividend.

There are lots of different ways, but all those companies are wed together by the numbers, the maturity, the underlying economics of the business, and the industry they're in. They don't try to push too hard and try to do something that just isn't there based on the underlying business or the underlying industry. That takes some intellectual honesty at the end of the day.

About the featured guest:

Glenn Surowiec founded GDS Investments in 2012. From 2001 to 2012, he worked for Alsin Capital Management, Inc. as an equity research analyst (2001-2003), co-portfolio manager (2003-2008), and portfolio manager (2008-2012). Before joining ACM, Glenn worked for Enron Corp. as a derivatives structuring manager, and for Commerce Bancorp (now TD Bank) as a real estate credit analyst. Glenn has a B.A. in Management (Accounting concentration) from Gettysburg College and an MBA (Finance concentration) from Southern Methodist University. He graduated in the top 10% of his MBA class and participated in study-abroad programs both as an undergraduate (Seville, Spain) and graduate student (Melbourne, Australia). Glenn's interests (outside investing) include running, cycling, golfing and spending time with his wife and three teenage boys.

About the session host:

John Mihaljevic leads MOI Global and serves as managing editor of *The Manual of Ideas*. He managed

a private partnership, Mihaljevic Partners LP, from 2005-2016. John is a winner of the Value Investors Club's prize for best investment idea. He is a trained capital allocator, having studied under Yale University Chief Investment Officer David Swensen and served as Research Assistant to Nobel Laureate James Tobin. John holds a BA in Economics, *summa cum laude*, from Yale and is a CFA charterholder.