Mohnish Pabrai's Interview with Knowledge Inside podcast on June 8, 2026

Kim Kiho: Hello, and welcome to our show!

Mohnish: Thank you so much. It is my pleasure to be here.

Kim Kiho: The pleasure is ours. Would you like to say a quick hello to our viewers before we start?

Mohnish: Hello. It is good to be here.

Kim Kiho: Tell us a little bit about yourself and what you do.

Mohnish: I am a money manager. I manage about $ 1.4 billion, mainly in publicly traded equities worldwide. I do it in a combination of private hedge funds and an ETF. I have been doing this for about 28 years. Time has gone by fast, because it is my passion, so I do not even think I am doing work. I follow Warren Buffett's and Charlie Munger's approach to investing, which generally means that we think of stocks as portions of businesses. We do not think of them as pieces of paper. When we buy a stock, we approach it as if we were buying the whole company. We are looking for investments that we can hold, ideally, forever. Anytime we have to sell something, we have made a mistake. Let me go one step further. Anytime most market participants are selling anything, they have made a mistake.

Kim Kiho: So, according to your philosophies, we have to keep it for the long run, right? You are a well-known value investor. Let us start by talking about that famous lunch, since you mentioned Warren Buffett. You won that lunch at an annual charity auction for $650K. That is a lot of money, and it was the record at the time. Looking back, was it worth every penny?

Mohnish: Yes, the lunch, from my point of view, was one of the best deals ever. It was a true bargain when you look back at what transpired after that. Warren has stopped doing these lunches. He was doing one of these lunches every year. The final year when he did the lunch, it went for more than $26 million. That was 2-3 years ago. Our $650,000 bid was a small portion of that. That was pretty good. It was also a bargain, and even the reason why I was interested in bidding for it and having lunch with Mr. Buffett was for a couple of reasons. If we were alive in the time of Gandhi, Newton, Einstein, Churchill, or any of the other luminaries who have come before us, if we had a chance to sit down and have lunch with them, the two questions that come up are, "Would we want to do that?" and "What might you be willing to pay for that?" We had a situation where Warren Buffett might be similar to their class of people. He is the most accomplished and best investor ever, and he was alive versus all these people who are dead. He was willing to take a bribe to have lunch. At that time, in 2007, when I was bidding on the lunch, I had based my entire career on his intellectual property, and learning from him, from all his writings and talks. By that time, I had made more than $70 million directly from applying the principles of Warren Buffett. Therefore, I felt like a tuition bill was due.

I asked myself, “What is an appropriate tuition bill to pay to a teacher who has made me $70 million richer?” I thought 3%, which was about $2 million, would be pretty reasonable. It might even be low. In 2007, I was bidding on that lunch, and I said, “The maximum I will bid is $2 million. If it goes over that, then such is life.” I had bid for the lunch in earlier years, but it always went beyond the amount I was able to bid. I asked my best friend, Guy Spier, if he wanted to be a co-bidder with me, because you can take 7 people to lunch. I was going to go with my family, which was 4 of us, and there were still 3 seats left. I asked him if he wanted to come with his wife. He could pay one-third, and I could pay two-thirds because it was 2 seats versus 4 seats. He was excited to do it, but he said that anything over a quarter million was too much for him. I told Guy that he would be capped at a quarter million, no matter what. Above that, I would cover the rest. As it turned out, the bidding ended extremely low at $650,000, which was less than one-third of our budget. It was even below my friend Guy Spears' budget. He paid his share, and I paid the rest. My only agenda and interest in doing the lunch was to thank Mr. Buffett. I wanted to look him in the eye and thank him. I did not expect anything more beyond that. That was the only expectation. Mr. Buffett, though, has different expectations from these.

His expectation is that he wants whoever won the lunch to feel like they got a big bargain. Even when someone is paying $26 million, his focus is on making sure that the guy who paid the $26 million believes, after the lunch, that they got a big bargain. When Mr. Buffett came for the lunch, his agenda was to make sure that he delivered a lot of value to us. Before the lunch, his assistant gathered resumes and bios for all of us. He studied all of them before the lunch, so he knew everyone well. He knew everyone's background. When he came for the lunch, he told us that there was no time limit. The lunch was starting around 1 o'clock, and he said, “I have nothing to do all afternoon. I am here for as long as you want me to be here. When you get tired of me, let me know, and I will leave.”

I had another charity lunch with the CEO of Google at that time, Eric Schmidt. That lunch was different. Eric Schmidt's lunch took place in a cafeteria on the Google campus, and every 15 minutes, he looked at his watch. That lunch was scheduled for 1 hour. At 1 hour and 1 minute, he was gone. If I were to rate the two lunches, the Eric Schmidt lunch was 2 out of 10! I am a fair grader. It might be 1 out of 10, because there is nothing I remember about it that I can say changed my life. Warren Buffett’s lunch was 15 out of 10. It went beyond 100% for several reasons.

My wife was with me at the lunch, and I told Mr. Buffett that she is a big fan of his. But the true love of her life is Charlie Munger. Warren Buffett got competitive. He said, “My partner, Charlie Munger, is a boring person. He is a useless person to have lunch with. I am the interesting one, not Charlie. Because you do not know Charlie, you think he is interesting. I am going to set you guys up to have lunch with Charlie. After that lunch, you will understand that I am the better lunch partner." I thought he was joking about all this. Two days after the lunch, I see an email from his assistant to Charlie's assistant, copying me, setting up the lunch with us, and telling Charlie in that email that this couple, who also live in California, seems to think you are more interesting than me. He said, "Charlie, you know that I am more interesting. You are going to meet them, and then they will know." When I met with Charlie for lunch, I enjoyed it much more than the one with Warren Buffett. His plan backfired. The second thing that happened was that a friendship was formed with Charlie. I met Warren Buffett for lunch in 2008, and I met Charlie Munger for lunch in 2009. After that, I used to meet him, with my family or my wife, once every 3-4 months at his home for dinner. I also used to play bridge with him at the LA Country Club once every 2-3 months. It was a wonderful, warm friendship. I also became friends with Warren, but the friendship was not as close as with Charlie, because he was in Omaha. We used to meet him less often. What happened with this lunch was that from one lunch, I got infinite lunches for free. Buy one and get 100 for free.

It was a great bargain. The other thing is that so many great things happened in my life because of the lunch. As I told you before, my agenda was to spend the $2 million, to pay the tuition bill, and to thank my hero. After that lunch, every year, I go to Berkshire Hathaway for the Berkshire Hathaway Annual Meeting. I have been going for 30 years now. Warren has a private brunch on Sunday with his close friends, the Board of Directors, and senior managers. He would invite Guy Spier and me for that brunch on Sunday. When Guy and I used to go for that brunch, I felt like we were the only two yo-yos. We would see Bono talking to Bill Gates. There would be NFL players in that room. There used to be Hollywood actors and so many politicians. Guy Spier and I were the only two unknowns. Every year, I said, "They are going to figure out next year that we do not belong here, and the invite is not going to come." But every year, we kept getting the invite. That lunch was buy one, get infinite free. All these amazing things happened after that one lunch with Warren Buffett.

Kim Kiho: You did say that it was one of the best deals that you made, but let us talk about some of the other deals that you made, because you have such good insight into the market. You did comment once that Korea was trading with this persistent discount, so how would you describe the Korean stock market now?

Mohnish: I have to say that I have been blessed to have made many trips to Korea in my life. I consider Korea to be one of the most advanced civilizations. It is a highly evolved civilization. I always enjoy my time there. One of the things that I am distressed about nowadays is that the population of South Korea is going down at a rapid rate. It is going down at a faster rate than Japan. My appeal to the young married men and women of Korea is to please produce more babies, and for the young women and men who are thinking of getting married, please get married soon, and please produce a lot of smart Korean kids.

Kim Kiho: How would that affect the stock market?

Mohnish: In the long run, any civilization that has a declining population is going to have a challenge with the total output of the country. That will get reflected eventually in the stock market. If we take a country like Korea or Japan, with a declining population, the only way that GDP can grow in some decent way is by being an export powerhouse. Korea is an export powerhouse. But two issues are not happening. One is that countries like the US start reacting with tariffs and so on, which is negative. The second is that because of the declining population, the labor costs are going up spectacularly. For example, for Hyundai, it is cheaper to produce a car in Alabama than it is to produce it in Korea, and so the production is going to get moved to China, India, and Alabama, which has already happened. That is a negative from the Korean point of view. There are many reasons why we want at least a stable population, but ideally, Korea should have an increasing population. The second thing I would say about the Korean market is that currently it is lopsided because of what is happening with SK Hynix and Samsung. I am not an expert; I am an outsider looking in. Also, I do not have any investment in Korea.

The good news is that there is a massive tailwind that South Korea is a beneficiary of, because they are providing the pickaxes in a gold rush. I have visited SK Hynix and Samsung many times. I used to have an investment in Micron and in SK Hynix, and, unfortunately, I violated my own rule, and I sold these companies when they should have been kept forever. But these memory businesses, like SK Hynix, Samsung, and Micron, are protected businesses. It is almost impossible for a fourth new player to come into this business. When I was interacting with the senior management of Micron a few years back, they told me, "If one of our fabs burnt down and got destroyed, although we have all the patents, engineers, and everybody who built that fab, if we tried to rebuild it again, we are not sure we can rebuild it with the same production and cost as before, because there is an aspect of manufacturing memory chips that is black magic." When you have a fab running, it is running because of some known and some unknown things. When you start messing with those things, it can become difficult.

For a new entrant to come in, first of all, they would have to violate a lot of patents. They would have to secure a lot of senior engineers, managers, and so on. That is difficult. Also, it would take them 10, 15, or 20 years to do it. These 3 companies are not able to keep up with the demand right now. If you have a Samsung mobile phone or an iPhone, the price of that has already gone up because the memory price has gone up. All the electronic prices are going up because the memory prices are going up, and the chips are on allocation. When you look at Korea, the indices are dominated by these two companies. They make up a large portion of the KOSPI Index. It has been a wonderful ride for investors. I would say the following: If you already own it, do not sell it. But if you do not own it, do not buy it.

Kim Kiho: Now is not the time to buy?

Mohnish: Hold what you have. Do not sell what you have for a while. The party has only started.

Kim Kiho: Do you think KOSPI would continue to rally?

Mohnish: I am not as familiar with the rest of the KOSPI. But in my opinion, the rest of KOSPI might still be somewhat undervalued. The headwind that KOSPI faces is the population decline. If you look at companies in Korea that do not have an export bias, they face real challenges. The ones that do have an export bias, they have some tailwind, but it depends on what is going on. I would say that even the Hyundais of the world, which are fabulous businesses, have challenges because of that.

Kim Kiho: Looking back at all of your investments, what specific checklist items have saved you the most money, and how should retail investors like us, like me, incorporate that when we are evaluating a stock or a company?

Mohnish: To give you a little bit of background, my checklist came from the aviation industry. In fact, all checklists that are in use today have their origins in the aircraft and aviation industry. In the US, the regulator of commercial airlines and airplanes is the Federal Aviation Authority (FAA). Anytime there is a plane crash, they send a lot of investigators to find out why the plane crashed. They spend an inordinate amount of effort to get to exactly why a plane crash happened. After they find out why the plane crashed, if it has something to do with an aspect of the design or the engineering of the airplane, they are going to look at things pragmatically. They are going to say, "Let us say if we make no changes, in the next 10, 20 years, how many humans would die?" They would try to estimate how many crashes would take place and how many humans would die. The FAA has a definition of what a human life is worth. According to the FAA, it is not infinite. They have a specific number, and that number goes up with inflation. The current number is around $5 million.

Let us say an airplane crashes, and they find that if this issue is not fixed, every 10 years, 500 people will die. They will take the number 500 and multiply it by $5 million. That is $2.5 billion. Whatever fix they are going to tell the airline industry to make has to cost less than $2.5 billion. If the fix is going to cost $20 billion, they will not do the fix. Because the FAA takes a pragmatic approach to how it does this, two things have happened with aviation. Number one, aviation is safe. Number two, flying is cheap. If the FAA took an approach that said a human life is worth infinite. It would cost a quarter of a million dollars to fly from LA to Seoul.

Kim Kiho: We do not want that.

Mohnish: Exactly, so they have taken a middle ground. The only changes that ever get made in aviation for safety are after a plane crash. They never sit in a lab and say, "Let us make this change or that change to make things safer." They only do it after a plane crash. I thought, "Let us apply aviation to investing. What is the equivalent of a plane crash in investing?" A stock where you lost money or it went to zero, that is a crash with no survivors. It went to zero. A stock that went down, and you sold at a loss, that is a crash with some survivors. I thought that what we are going to do is to only make changes to my investment approach based on crashes, because who am I to do something more advanced than the FAA? The FAA has solved this problem. I thought, "Let us go look at the great investors of the world. Let us look at the mistakes they made: the companies they invested in and where they lost money. Let us see if it was visible before they lost the money that they were going to lose the money.

Kim Kiho: Were you looking for signs?

Mohnish: Yes. What I am trying to understand is, before a plane takes off, can we tell whether it is going to crash or not? To give you an example, Warren Buffett is an open book. I could look at all his mistakes. He invested a few decades back in a shoe company called Dexter Boots. They made shoes in the United States. Warren Buffett gave them 2% of Berkshire stock to buy that company.

Almost immediately after he bought the company, the shoe business faced lots of foreign competition from China and Vietnam. Their cost of manufacturing in the U.S. was too high. What ended up happening is that Dexter Boots went out of business. That was a crash with no survivors. The question I asked myself was, "Is this a business that can be negatively affected by cheap foreign labor or cheap foreign competition?" When I am looking at a company, I have this question. Let us say I am looking at a bank in the US. A bank in the U.S. is not going to be affected by foreign labor, so the question does not apply. But if I am looking at a bicycle manufacturer in the U.S., that could get affected. All the bicycles in the world are made in Taiwan, except for Shimano in Japan. That is great.

They do well. If I am looking at the bicycle manufacturer in the U.S., the checklist would tell Mohnish, "Do not go there. See what happened to Dexter." I made a checklist based on the crashes only. I started making this checklist 16 or 17 years ago. It used to have 70 or 80 questions. Now it has 213 questions. It does not take long. The first time I run a checklist, I cannot answer a bunch of questions, which means I have not done the work. I would then try to figure out how to answer those questions. Then I come back and find all the questions where there is a failure. Then I look at those failures and say, "Based on these failures, do we want to take off or not?" We can make that decision. The checklist is fantastic.

Kim Kiho: Do you do this every time you are looking at a new company? All 213 questions?

Mohnish: Absolutely. A pilot does not take off before running the pre-investment checklist. That is a lot. Do you remember Peanut Girl in Korea?

Kim Kiho: No.

Mohnish: Peanut Girl is the lady who was the daughter of the founder of Korean Air. When that plane was about to take off, she was unhappy with the way the nuts were served. She forced the aircraft to come back to the gate, and she was not polite to the stewardess there. That was not part of the pre-investment checklist. She introduced an extra item, the pre-investment checklist, that was not required. Unfortunately, after that, Peanut Girl, who was extremely smart and should have been the successor to that business, was taken out and was not given any chance to succeed her father. Anyway, a pilot is not going to take off before running the pre-investment checklist, and we are not going to buy a stock till we have run the pre-investment checklist. The checklist does not take much time, even though it has 213 questions. It takes 1 or 2 hours to do it. I make 2 or 3 investments a year, so I have a lot of time.

We go to the checklist and look at what the failures are. I have not published my checklist; it is proprietary. I have not published my checklist because it is proprietary. For an individual investor, when they are about to invest, there are 3 important checklist items that they should look at. The number one reason why investors lose money in investments is because of leverage. The company has too much debt, or the investors themselves are using debt to buy stock. The most important thing when you are trying to make an investment is to make investments in companies that have zero leverage. Also, do not borrow any money to buy stocks. Are you familiar with a company called IKEA? It is a private company. It never went public. The founder of IKEA, who passed away a few years back, in his whole life of building IKEA, which was more than 70 years, he did not borrow even one Korean won, or even 1 euro. He did not want to borrow money at all. IKEA never went public to raise money in the public markets either. Every single store was opened out of the retained earnings from the previous stores. The reason he did that is for Ingvar, who was the founder. He wanted IKEA to last for 500 years. He wanted it to last for a thousand years. He built the company with principles that will allow it to last for a thousand years. One of those principles was, “We are never going to owe anyone any money, because if we do not owe anyone any money, no one can come and stop us from playing our game.” It is an important thing for investors not to borrow money. The best companies in the world do not need debt to grow. They can grow without debt because their business is so good.

The second reason why investments do not do well is that investors misunderstand the competitive advantage, or what Buffett calls the moat. What is the competitive advantage of the company? For a long time, the memory business was a useless business. There used to be 20 different memory companies, and they were fighting each other, cutting prices, and trying to increase capacity. In the end, no one would make any money. Eventually, they went out of business, so they got bought out, and we ended up with 3 memory companies: Samsung, SK Hynix, and Micron. It went from not a good business to a good business. The moat became much better, because now they have all the patents. Also, because the density of the chips is so high, it is difficult for a new entrant to come in. The processes are so complicated. We want a strong moat.

Let us say, look at a company like Amorepacific. Are you a customer of Amorepacific?

Kim Kiho: I am loyal to Amorepacific.

Mohnish: There you go! Women all over the world want their skin to be like Korean women’s skin. They are envious of the skin of Korean women. The best skincare companies in the world are in South Korea. But even though Amorepacific has done well, that is a difficult business.

Kim Kiho: Because the moat is a little bit shallow, I would say.

Mohnish: The issue is that there are so many companies trying to attack that market. Women are constantly seeking even better treatments. They are never satisfied with what they have. They want even more, even better, even younger. A company like Amorepacific may do well for a while. They constantly face pressure. Sometimes, a business like that, and especially a business that does not have a brand but has a great product, may not make it, because the market is so difficult. Let us say if you look at a restaurant in Korea, that would be a terrible business. A hotel in Korea may not be good. The second important thing is to try to understand the durability of the business and of the board of the business. No leverage. High durability. The third most important thing is the quality and ethics of the managers and the owners of the business.

Kim Kiho: In one word, “governance”?

Mohnish: Yes, the governance. What is the quality of the people running the business? Do they care about the shareholders? Do they care about the employees? Do they care about the customers? Or do they care about becoming wealthy themselves? It is okay for them to like the money, but they cannot love the money. They have to love other things.

Kim Kiho: It is more about value than profit, right?

Mohnish: Do they love the money? How do they love the business?

Kim Kiho: That is a good question to ask.

Mohnish: Yes, forget the 213 questions. If the investor focused on these 3 main issues: no leverage, quality of the moat, and quality of the people, that is all that is needed. It saves you a lot of trouble.

Kim Kiho: If you look at the investors, there are different types. Some study the company and take joy in researching and investing in a good company, whereas there are people who invest in index funds. Do you think a concentrated investment in one outstanding business can realistically outperform simply buying and holding the S&P over the long run?

Mohnish: More than 99% of investors should buy the index.

Kim Kiho: Why is that?

Mohnish: I will tell you why. Let us say an investor wants to buy SK Hynix, for example. They say, “I do not want to buy an index fund. I understand semiconductors, and I understand AI, so this company will do well.” Let us say the market cap of SK Hynix is $500 billion. The question I would ask them is, “What is going to be the cash flow that SK Hynix will generate 10, 15, 20 years from now, and how does that compare to the $500 billion?” Currently, SK Hynix may be making $50 billion a year. What are they going to be making in 5 years from now? What are they going to be making in 10 years from now? If an investor cannot answer those questions with a high degree of certainty, they should not buy the stock. When you ask that question, for some businesses, the answer can be obvious. One should buy a business when the answer to these questions is obvious. When there is no difficulty in giving that answer. For example, let us say there is a power company in Korea supplying power to the homes of millions of customers. That power company makes $100 million a year in earnings. People cannot change their power company every year. It is a regulated business. You only have one company that provides you with power. The regulator allows the power company to make a certain return and charge a certain price. It is well-understood and well-regulated. Let us say the power company is making $100 million a year, and you can buy the whole company for $300 million. That means that if you hold that company for 3 years, if they are issuing dividends of 100% of their earnings, you get all your money back in 3 years. You still own the power company, and it is going to keep giving you dividends for 50 more years. Maybe 100 more years. That has become a no-brainer risk-free investment. Those are the only investments we are interested in. Risk-free. The risk-free investments are in sectors that are hated and unloved. When everything is loved, please do not buy. In investing, we are looking for anomalies. We are looking for things that do not make sense. Power companies should not be available for 3 times earnings. In Korea, in the past, if you go back and look, there were many power companies available for less than 5 times earnings. Even at 3 times the earnings. Most people do not care about power companies. They are too boring. They are looking for excitement.

In my case, 70% of my portfolio is in Turkey. I am not Turkish, even though I have a great mustache, which is better than most Turks have. I am originally from India. I have 264,000 followers on X. Out of them, 50,000 are in Turkey. They keep talking about me in Turkish, and I translate to see what they are saying about me.

Kim Kiho: What are they saying about you?

Mohnish: Mostly good. They follow whatever I am investing in. The reason I got interested in Turkey and started investing in it 7 years ago is that it was screening as the cheapest market in the world. I have a close friend in Turkey who is the second-largest fund manager in Turkey. About 8 years ago, I told him, "Haydar, I would like to visit Istanbul. If you do not mind, I would like to visit the companies in your portfolio." I did this to educate myself. I did not plan to make any investments. I thought Istanbul was a place with great food, history and great architecture. There is nothing wrong with visiting Istanbul. Now we have 3 or 4 investments in Turkey.

The second year, when I went, whenever we were driving to a company, that is when I started to ask him questions about the company. I did not want to do any work till after I met them. He told me, "There is a company where the market cap was $16 million, and the liquidation value of the company is $800 million." You could buy the company for 2% of the liquidation value. It is like being able to buy a million-dollar apartment for $20,000. I asked him, "What do they do? Why are they so cheap?" He told me that everything in Turkey is cheap, and that the company rents warehouses. The company was the largest builder and renter of warehouses in Turkey. They have 12 million square feet of warehouses, which is around 1.2 million square meters. Their clients are Amazon, IKEA, Carfour, Mercedes, Toyota, and so on. They are 99% leased with inflation-index leases. They are collecting rent. In Turkey, when I went and looked at the market, it was super cheap. Many things were trading at a P/E of 1 or a P/E of 2. I started buying the company, Reysas. This warehouse company, after I looked at it, ran the checklist. Now, we own 40% of the company because it was so cheap. The market cap used to be $15 million. It is now $1.5 billion. It has been 7 years. In 7 years, we have done nothing. We hold the company.

Kim Kiho: So, you hold on to the good ones?

Mohnish: Yes, we hold on. The thing is, the liquidation value used to be $800 million. Now it is $2.5 billion. It is a lot more. What I realized, which I did not know at that time, is that the company is good at building value. They are pretty good operators. The father and son (who is 31 years old), who founded this company, if they run the company for 30 or 40 more years, I will own it for as long as they run it. We are not going to sell it. We are going to own it forever. That is what we want to do. We want to look at things that make no sense. When you tell me, “I can buy a home worth $1 million for $20,000,” then buy that home. That makes sense. That home someday may be worth $3 million, and that is fine. If you say, “I am not going to do anything. Every day, I am going to look at what is happening, and that once every 6 months, or 1, 2 years, I will find something unusual,” that does not make sense. That is when you step in.

Kim Kiho: You talked a little bit about your investment strategy, the Dhandho method. Related to that, what would be your idea of “heads I win, tails I do not lose much” investment opportunity in this age of AI?

Mohnish: “Heads I win, tails I do not lose much,” is an important framework for investors to have. The most important thing to consider before investing is: How can I lose money? How can this investment result in me having a loss? The answer should be, “It cannot.” Going back to the company in Turkey, it has no debt. It has 12 million square feet of prime warehouses in prime locations rented by Fortune 500 companies. If they do not pay the rent, they will get evicted. If they want to empty the warehouse and give it back, it will take them 2 years to empty the warehouse. They cannot find another warehouse, because warehouses are 100% leased. I tried again and again to find out how the company could go away. It could be a big earthquake. It could destroy the warehouses. Maybe they do not have insurance. If there is a big earthquake, the warehouse is destroyed, and there is no insurance, we will lose money. I checked. Do they have earthquake insurance? I also checked if they can survive an 8.0 earthquake. I checked the construction standards. Turkey had earthquakes in Istanbul where they have their warehouses. After I invested, not a single warehouse had even $10 of damage after the earthquake.

Kim Kiho: How can we apply this in the AI sector?

Mohnish: The way we apply it in the AI is we are not going to go there. I already told you, hated and unloved. We cannot go to things that are loved. AI is deeply loved. What used to be deeply loved was Bitcoin. When AI came, it was the next shiny object. People who had Bitcoin dumped it all, and they bought AI. Bitcoin went from 100,000 to 70,000. Bitcoin is not supposed to go down; it is like gold. Gold went up. But Bitcoin went down. What I am saying is that the people who own AI are going to be selling AI soon. They are going to the next shiny object. Do you know what the next shiny object is?

Kim Kiho: What would that be?

Mohnish: The next shiny object they are going to buy is SpaceX. The IPO of SpaceX is coming. It is a big, shiny object. They will sell all their AI. First, they sold all the Bitcoin, and they bought the AI. Now they are going to sell SK Hynix, and they are going to buy SpaceX. That is next.

Kim Kiho: You are saying we should not be doing that?

Mohnish: Please do not buy shiny objects. Please do not buy what is loved. Please buy what is hated and unloved. If you are the kind of person who likes to buy things that are loved, just buy the Index. The sad part is that people will listen to this. They will be entertained by my mustache and are going to buy SpaceX.

Kim Kiho: What would you do if you had $1,000, and you were trying to create this wealth? What would you do with $1,000?

Mohnish: With $1,000, I would buy Berkshire Hathaway stock. BRK.B is the ticker on the New York Stock Exchange. No leverage, a lot of cash, good management, deep moat, boring, hated, and unloved.

Kim Kiho: What is the surest way to build wealth, in your opinion? You have experience in different fields. You worked at a tech company, and then you became a businessman of your own. Now you are an investor. You had all these experiences. What is the surest way to build wealth? Can you break it down for us? How would you do it if you were starting over?

Mohnish: I am a storyteller. I tell beautiful stories. I want to tell you a story before I answer the question. In 1623, 403 years ago, the Native American Indians sold the island of Manhattan to the Dutch settlers, from Netherlands, for $23. The island of Manhattan, which was all forests at that time, was sold to the Dutch settlers for $23. When people hear that story, they say that the Native Americans were taken for a ride. They sold prime land extremely cheap. But there is something known as the Rule of 72. It is a simple rule that helps you understand how long it takes money to double. Let us say the Native Americans had an investment officer. They went to this investment officer and said, “We have $23. Please invest this money for the benefit of the tribe long-term. We do not need this money for hundreds of years. Invest the money so that it grows for the benefit of the tribe.” Let us say the investment officer is not that great. He is okay. He can get a 7% return a year.

The Rule of 72 is a way for us to know how long it would take money to double at a particular return. If you have a 7% rate of return, you do 72 divided by 7, which is 10. The money will double every 10 years. If that investment officer is getting a 7% return in 1623, he has $23. In 1633, he was going to have $46. In 1643, he was going to have $92. If you take 10 periods of 10 years each, that is 100 years, which is 2 to the power of 10 (2 times 2 times 2 times 2 times 2, 10 times). That is 1024. We throw away the 24 because the math is simpler. After 100 years, that 7% compounding on the

$23 would have grown 1,000 times. In 1723, it was going to be $23,000. In 1823, it was going to be $23 million. In 1923, it was going to be $23 billion. In 2023, it is going to be $23 trillion. Then, we have gone 3 more years after that, which is another 20%. About $28 trillion is the value of that money from 1623 till now, compounded. The island of Manhattan. If we remove all the buildings and look at the land—the prime real estate—the entire net worth of every man, woman, and child in the United States, combined, is less than $200 trillion. Ten percent of that is $20 trillion, and the island of Manhattan is nowhere near that value. In fact, Manhattan, without the buildings, is worth less than $1 trillion—closer to $500 billion. The Indians did not get taken advantage of. They had a bad investment officer who did not get them 7% a year. Now, let me answer your question.

The most important thing an individual can do to achieve great investment returns comes down to two things. Number one: Spend less than you earn. Let us say, for example, that you are saving 15% of your salary each year. If you are earning $50,000 a year and you are 22 years old, that might mean saving $5,000 to $7,000 a year. The second thing is this: Do not try to do AI investing because it is loved. Instead, invest in what is hated and unloved. So you should put it in Berkshire Hathaway or simply put your money into an index. Set it and forget it. Then, every month, take whatever you have saved and add it to that investment. One day, you will be 72 years old. Fifty years will have gone by, and you have kept contributing the whole time. Meanwhile, your salary has grown from $50,000 to perhaps $250,000 because you have gained experience and advanced in your career. How much money are you going to have? Too much!

As much Amorepacific as you, your daughters, and your wife want, you can buy. You can buy whichever GENE Genesis model you want. You can buy the best apartment in Seoul. All that, and you still have so much money because you only did two things: spend less than you earned, and you did something boring. Get your excitement from other places in life, not from the stock market.

Now your listeners are going to be so disappointed because they got no exciting advice. They only got boring advice.

Kim Kiho: But I guess 10 years from now, the video will resurface, so let us see what will happen. I want to end our interview with a question. It is a little bit philosophical, but I want to ask you why you still invest, because once you reach a certain amount of profitability, it would be less about the money and more about something else. I would like to know what that something else is. What drives you as an investor?

Mohnish: Each of us, as individuals, is largely shaped by our genetics and the experiences we have in the first five years of life. By then, most of who we are is hard-coded. The way I was when I was five years old and the way I am going to be when I am 95 years old are essentially the same. The cake is baked by age five. My own peculiar personality is that I like to play games. I prefer to play single-player games. I am not the kind of person who would be happy playing soccer as one member of a team. I am better suited to games like bridge, chess, or something similar.

I am playing a game. I realize that once you understand compounding, you are going to make a lot of money. I do not care about the money, because beyond a certain point, it is of no use to you. I am playing a game now. To play this game, I first need to know when I am going to die. The good news is that, with AI, you can go to “God Google” and ask, “When am I going to die?" God Google told me, “Mohnish, you are going to die on June 11, 2054.” I said, “Thank you so much, God, Google. You have made life so easy.” On June 11, 2054, I am going to die. What I want is to have $10,000 left on June 10, 2054 (the day before I die). I have one engine that is compounding money, and I have another engine that is giving money away through the Dakshana Foundation, which helps underprivileged children in India gain access to good education. Both of these endeavors are games for me. One is a compounding engine. The other is a give-back engine. I want the money that I give away to generate high returns for society. Dakshana generates very high returns. As I am compounding, I need to increase the rate at which I give away. Over time, the giving curve should accelerate. I am playing games so that by June 10th, 2054, it is all gone. It is a beautiful game.

Kim Kiho: That is beautiful. You earn more to give more.

Mohnish: In the meantime, I am hoping that I get to have a lot of Korean meals.

Kim Kiho: What is your favorite Korean dish?

Mohnish: I am biased toward comfort food. Sundubu is so good. Then, there is the pork bulgogi. With all the condiments. I am a simple man. Give me the bulgogi and the sundubu, and I am good to go. Put a couple of eggs into it, and that is it.

Kim Kiho: That is perfect. We ran a little bit over time. Sorry about that. Do you have any final words for our viewers?

Mohnish: This was a lot of fun, and you did such a great job with the interview. We covered a lot of good ground. Thank you so much.

Kim Kiho: One last word by Mohnish for people to live by if they want to be wealthy. Let us end with that.

Mohnish: I will close with this quote. “If wealth is lost, nothing is lost. If health is lost, something is lost. And if character is lost, everything is lost.” Do not worry about your wealth. Worry a little bit about your health. Worry a lot about your character.

Kim Kiho: Perfect. Thank you so much for this interview. It has been so much fun. We got a lot of solid life advice. Thank you.

Mohnish: Bye.

Kim Kiho: Bye.

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