

Questions About Sven Carlin and Research Platform Answered!

Q: WHO AM I AND WHAT DO I DO?

I am a passionate investor and researcher. I love owning parts, even small parts of great businesses, watch the businesses grow and alongside their growth, watch my dividends and wealth grow. I have been investing for almost 20 years now and it has been extremely rewarding for me.

Q: WHAT IS YOUR INVESTMENT PHILOSOPHY?

When it comes to markets there are many uncertainties and a few certainties. I prefer to focus on certainties and those are the following for me:

- Investment returns will be perfectly correlated with the performance of the underlying business over the long term. **INVESTMENT CONCLUSION: Invest in businesses that can deliver good business returns, growth and consequently great rewards to shareholders.**
- Avoid risk – a factor you can never work enough on! If you focus on avoiding risk, the only thing left is upside. One might think that it is impossible to avoid risk when investing, but that depends on how you define risk. For me, risk is the possibility of permanent capital loss, not volatility. So, **INVESTMENT CONCLUSION: if you invest with a MARGIN OF SAFETY (if the worst case scenario happens, that is good too), a MODERN VALUE INVESTING ATTITUDE focused on likely future cash flows, do a lot of RESEARCH and wait for the right OPPORTUNITIES, you will reach good investment returns.**
- I am also convinced markets are completely irrational and actually have a bipolar disorder. Sometimes markets are extremely exuberant while at other times totally pessimistic. My idea is that the world is not going to end tomorrow but also not become a fairy tale tomorrow. **INVESTMENT CONCLUSION: take advantage of the market's inherent VOLATILITY (what others call risk).**
- Plus, 98% of the market thinks short term, maximally 12 months ahead. So, if you dare to think a few years ahead or more, focus on the few things you can be relatively certain on, you have an advantage over others. **LONG-TERM INVESTING.**

Q: WHAT MAKES A GOOD INVESTMENT?

Future cash flows! Investing is all about how much cash you have to renounce now in comparison to how much cash you are going to get in the future. It is that simple.

Then come the other steps that focus on determining the risks or safety of the possible future cash flow streams where all the accounting, management, qualitative and quantitative, micro and macro factors come into play.

Q: HOW DO YOU INVEST? WHAT IS YOUR GOAL?

I invest with the goal of increasing my financial wellbeing. The wellbeing can come in the form of dividends or capital gains. Over the past 20 years, I have been blessed with wonderful gains that have improved the quality of my life by quantum leaps. So, I continue to invest, compound and hopefully increase my wealth and wellbeing. I hope that by sharing what I do, others can benefit too.

I invest through my public portfolios on my research platform. I actually have one portfolio that is divided in 3 parts based strategy, and my goal is to have more than a million in each of those portfolio parts.

I started my LUMP SUM PORTFOLIO in 2019 with 100,000 and the goal is to turn it into 1,000,000 one day. (if I make 12% per year over 20 years I am there – but hopefully sooner)

I started my MODEL PORTFOLIO with 10,000 in May 2018 and I add 1,000 to it each month. Again, if I make 12% per year, I'll be at a million in 20 years.

With my PRIVATE PORTFOLIO, I'll add funds that I have available for investing, and also hopefully grow that to 1 million and more over time.

With 3 million in investments, one day, the dividends should be enough to sustain my life style and I will be able to do whatever I want. This will likely be investment research and investment education as I am really passionate about it, but probably Buffett style.

Q: HOW DOES YOUR PORTFOLIO LOOK LIKE?

As mentioned in the previous question, I have a few portfolios due to member requirements and research requirements. As there are some people that have money already, I have created a LUMP SUM portfolio for those that are looking for ideas to invest a lump sum of money. For those that invest on a monthly basis I have created a MODEL portfolio where I invest 1,000 into something each month. The portfolios look almost the same, but the monthly additions and purchases always show what is the best buy for me at that specific moment in time.

I have also a PRIVATE portfolio that shows all the stock holdings that I have outside the two formal portfolios discussed above. The positions are again the same but the timing, purchases and sales also depend on my private situation which is also a normal thing when it comes to investing. We have just bought a house so I don't know whether there will be private portfolio additions for a while, but I hope to restart with the purchases soon – it also depends on the financing I get from banks.

The last portfolio is my RESEARCH/LARGE portfolio where I put all the stocks I find interesting and I want to learn much more about or closely follow. I am a person that does best when I own something in order to really know it well. So, my research list consists of stocks that I own.

In practice I have two portfolios, one with the core holdings and one with the research holdings. The hope is to have at least 50 positions in the research portfolio and then source the best ones for the LUMP SUM, MODEL and PRIVATE PORTFOLIOS. These research holdings will likely also be good investments, I have no intention of losing money on them, but on 30 to 50 positions I don't expect to do miracles.

Q: HOW MANY POSITIONS DO YOU EXPECT TO HOLD IN YOUR PORTFOLIOS?

I hope to hold 50 positions in my research portfolio and then hold a really small number of positions in my core portfolios. My hope is to hold only 5 position as the portfolios evolve over time and I focus on the best holdings. For now, I am closer to 10 positions, with

different weightings, but over time, the goal is always to stick to the best. Of course, depending on the opportunities and risks the market offers.

Q: WHAT IS YOUR TARGETED PORTFOLIO ALLOCATION?

I have renounced any specific set portfolio allocation because as a value investor all you want is to have a portfolio of 100% value. Where it is, what the business does, what is the macro etc. doesn't really matter – what matters is the cash flows that are going to come my way or create more wealth with reinvesting. The portfolio allocation totally depends on the risk and reward of a specific position. I don't have macro allocations because I believe those, like any fixed rules when it comes to investing, are detrimental to long term returns.

It also depends on the situation in the market. If you study Buffett, over the years, the number of his portfolio holdings used to vary from 3 to above 20. So, it depends on the market, not on a fixed expectation I can set.

Q: WHAT IS YOUR ANTICIPATED HOLDING PERIOD AND SELLING CRITERIA?

I hate selling stocks but I do it when things don't go as I expected. So, I mostly sell my losers which is opposite to what many do, but Peter Lynch says to cut the weeds and water the flowers and I really like the thesis no matter how hard it is.

I hope to find businesses that I never have to sell, where the dividends will constantly grow and my only worry will be where to reinvest the dividends year by year that will then create new dividend streams and compound into eternity.

However, if there is something that is 50% better than another position and the portfolio weight is becoming too big from a risk and reward perspective, I might sell the lower expected return position and buy more of the better. So, again, it pretty much depends on the market.

Q: WHAT ARE YOU CURRENTLY WORKING ON?

As always, I am researching stocks. I am currently researching all the stocks on the [Austrian Stock Exchange](#) and then I am going to look again into copper miners. There are some trends like copper demand, 5G, data, emerging markets etc. that I really wish to know much better and find some investments that offer huge long-term potential with a margin of safety. I put the interesting businesses into my Large portfolio so I cover them and get to know the sector and business well. Over time this knowledge compounds.

Q: Anything to add?

I would like to close with saying that investing and building a portfolio is a lifelong process. I get many questions about portfolios or about stocks, but very few about the life process of building wealth. My work is actually about building wealth over time, owning more and more and reinvesting the cash flows. With such a strategy, whatever happens out there, you end up well off! That is about it!

