All right.
Quick break to tell you about another podcast that we're interested in right now, HubSpot just launched a Shark Tank rewatch podcast called Another Bite.
Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell, and they break down why these pitches were winners or losers, and each company's go-to-market strategy, branding, pricing, valuation, everything.
Basically all the things you want to know about how to survive the tank and scale your company on your own.
If you want to give it a listen, you can find Another Bite on whatever podcast app you listen to, like Apple or Spotify, or whatever you're using right now.
All right.
Back to the show.
This episode is brought to you by the HubSpot Podcast Network, but what is the HubSpot Podcast Network?
That's right.
It's a new thing by HubSpot.
They started with our podcast, and now they're branching into more and more podcasts with experts in different business areas.
So you might have a podcast about marketing, or sales, or operations, or customer service, and we're going to go over through the different podcasts on this network.
Some are more entertaining, some are more informational, some are a good mix of both.
That's what we try to do here.
And HubSpot's goal here is to have on-demand mentors.
So if you're an entrepreneur, you're a startup, you're scaling up, you're going to be able to hear practical tips and inspirational stories by listening to the different podcasts on their network, which by the way, I think this is a smart idea.
Too many brands just try to sell you their thing.
HubSpot, I love their approach here.
They're like, let's put out great, valuable, free content and help more companies succeed.
And the more companies that we help succeed, the more we'll eventually come back to us, sort of like a good karma kind of thing.
So listen, learn, and grow with HubSpot Podcast Network, hubspot.com slash podcast network.
So today, Trong, who writes our daily email and is going viral on Twitter right now, is here with a special episode.
So Trong, what are people about to listen to?
All right.
So I had the chance to interview Stanley Druckenmiller.
He's widely considered one of the greatest investors ever.
Just top-level notes.
One of the richest people in America were 5.6 Bill.
He famously broke the Bank of England while working at George Soros' Fund, a quantum fund.
He made a billion dollars on a trade shorting, the British Pound.

And he has an incredible investing track record over 40 years.
He's never had a down year.
In 2008, he was up 11%, which a lot of people actually point to as the impressive thing.
So even when the entire market's tanking, he's been able to be up.
And the other thing that he's really known for in terms of his track record is 30 years of 30% returns or more.
So 30 for 30.
I don't know who else has that record.
I know if you look at Buffett annualized over his entire career, it's like 20% a year, but 30% for 30 years straight is outrageous.
So that's amazing.
I would like that.
But our audience is typically guys and folks building companies, not necessarily investing, but we wanted to air this anyway because, A, you're blowing up and people want to hear from you.
And if this works, maybe you're going to want to do your own podcast.
But also, how does this apply to our listeners and what should they look out for?
Absolutely.
So the first thing I want to mention actually that I forgot to say was this entire meeting was set up by Toggle AI.
You can find them at toggle.global, T-O-G-G-L-E.global.
And the reason why they set it up is because Stan's actually an investor in their company.
So he's invested in startups and they're a fintech company.
So they're able to set up the meeting, but if you're to answer your questions around the lessons of what people can apply, I see there are kind of three takeaways from just his mindset as an investor that I think matter in a business building world is he said what makes a great investor is having small bets in concentrated positions, but with super high conviction.
And the example he brings up in the interview that you will hear coming up is he mentions Buffett and Carl Icahn and he says, if you actually look at them, they're not doing the whole MBA playbook of diversifying, they're identifying crazy good opportunities and going all in on them.
And he brings up his personal examples when he broke the bank of England is he went into George Soros' office and said, hey, we put 100% of the fund into this short trade.
And then the lesson that he drew from it is Soros goes to him and says, if you're so confident in this trade, why aren't we doing even more?
Why isn't there 150% of the fund in it or 200% when using leverage, right?
Which is exactly what they ended up doing.
So the number one thing would be, you know, find something that you really, really have a high confidence in and kind of go all in on it.
That's one thing I think could be a problem.
But I thought you said he takes a lot of small bets.
No, no, he said to take high conviction bets.

When I said small bets, I think it was more just his track record over 30 years is what you're alluding to is he has a long career where he's been across many assets and a lot of different investments, but having said that as an investor, where his biggest wins are is when he's gone all in and he's found these once in a generation opportunities.
The other thing that he does is, you know, the famous saying from Mark Andreessen is, you know, strong ideas, but loosely held, like being able to-
Strong beliefs.
Yeah.
Exactly.
So being able to take in information and having the conviction that I talked about like he did with this pound trade, but then if information changes, being able to pivot.
And he actually famously during the dot-com bubble was one of these people.
He was shorting it from 98.99 and he's like, this is insane.
It's never going to play out and it's going to be really bad for a lot of people.
But then he was losing hundreds of millions of dollars shorting the dot-com bubble.
And to the quote there, he literally turned around, he didn't take his money off the shorts.
He went long.
So it's insane.
Full 180 after fully convincing himself that it was a bubble and he still believed it was a bubble, but he was looking at the information and he didn't believe that he could win or in trading terms, he didn't want to fight the tape anymore.
So that was pretty amazing.
But then that leads into my third lesson, which is it's all about emotion at the end of the day.
And he was explaining that in 1999, after he went from a fully short position in the dot-com bubble, he went long and he made billions of dollars in 99.
And in 2000, he's like, okay, I'm taking all my chips off the table.
I think the bubble is finally going to burst.
But this is where the emotion component comes in.
He watched two younger portfolio managers on his team keep riding the dot-com bubble and he couldn't take it anymore.
And this guy's like a 25 year vet, right?
And with an impeccable track record, but he could not take the fact that there were two people underneath him outperforming him.
So he literally called his broker, put a $6 billion bet back on the market and he says in the interview that he basically called the top of the dot-com by 10 minutes.
He ended up losing $3 billion.
And insane, right?
And he goes, people always ask me, what did you learn from losing $3 billion effectively in a couple of months?
He's like, I learned nothing.
Like I already knew that lesson.
I knew never to invest on my emotion, but I still couldn't help myself.

And it's just, I think that's just a forever battle, right?
It doesn't matter how seasoned or good or amazing you are, or amazing your past track record is, you always have to battle that demon of the emotions.
I mean, you tweeted this morning, right?
You tweeted something about psychology and emotion.
You're reading a new book and I think you said that, what was the quote you put?
If you're comparing yourself to others.
The best way to be miserable is to compare yourself to others.
Right.
So like, it's like, there's these little things about emotions and psychology that will always be with you no matter how successful you are.
So I think those would be the three takeaways is high concentrated, contrary bets and high conviction plays the ability to change course.
It's clear that it's not working.
And then the third thing is just like, you're wrestling with emotion, no matter who you are.
You can be a nobody or one of the greatest investors ever.
And those, those human elements never go away.
And I just love what he said is like, I didn't learn anything.
I already knew this lesson.
All right.
Lost.
We'll start the interview now.
If you guys listening like this, comment in the review.
So go to iTunes and leave a review, or you can go to Twitter.
What's your handle?
Trunk?
Is it Trunk P?
What is it?
Trunk T fan.
T fan.
And then I'm at the Sam Park.
So tweet at us.
I prefer you leave something in the comments because it's easier for us to see, but let us know what you think and we'll see Trunk again soon.
Thank you.
Awesome.
Thanks guys.
Thank you.
We're live.
So young RJ and myself had kind of put these kind of these questions together, which we think would be great for a bit of a younger audience.
So the first question we wanted to dig into was you're obviously there 2000.com.

Are you seeing any similarities with what's going on with the, especially the last couple of days just weeks been kind of ugly for tech.
And I know there's been a lot of talk about it has growth run its path was COVID.
Are you seeing any similarities to the.com era 2000?
And if so, what are they?
If not, what are the differences?
Okay.
I'm seeing some similarities.
I'm seeing some differences.
Okay.
Number one valuations in both periods got to what I would call mania speculative levels.
Market policy was part of the issue in 99 when Greenspan decided he want to run an experiment where he'd let unemployment go low levels where it historically been.
It's nothing like the crazy stuff we're doing now, but that helps set it up.
But what was really going on back then?
I mean, think about the fact that Netscape didn't really exist until 95.
So other than some nerdy professors back in the early 80s, no one even had email, so the stuff we had now.
So literally, the internet was just sort of being built.
And the big winners in 99 were companies like Sun Micro and Cisco that were building the guts of the internet, constructing it.
So what happened was the growth was so rapid as this went on and valuations combined with some easy money got baked in those growth rates as far as the art could see.
But think of the internet infrastructure like...