



The Australian Finance Podcast Episode Transcript

Episode: 🚀 [Get Started Investing with Equity Mates and Owen Rask](#)

Release Date: 02/05/2022

Speakers: Owen Rask, Bryce Leske & Alec Renehan

Duration: 43:54

Please read this prior to using this transcript:

*Please note that there **may be human transcription errors** within this document, and we recommend referring back to the original episode for a true depiction of what was communicated in this conversation.*

*The information in this document is **general financial advice only**. That means, the advice does not take into account your objectives, financial situation or needs. Because of that, you should consider if the advice is appropriate to you and your needs, before acting on the information. In addition, you should obtain and read the product disclosure statement (PDS) before making a decision to acquire a financial product. If you don't know what your needs are, you should consult a trusted and licensed financial adviser who can provide you with personal financial product advice. Please read our Terms & Conditions and Financial Services Guide before using this document.*

Episode transcript:

Bryce:

We'll get everyone. We are really excited to be here. My name is Bryce, I'm a co-founder of Equity Mates, and I'm here with Alec Renehan and Owen Raszkievicz. Ren, welcome.

Alec Renehan:

Hi, Bryce. Great to be here. Owen, we'll not be in the same room, but be on the same call.

Owen Raszkievicz:

Yeah, just great to be here, fellas. Thanks for having me on your show. For those of you that haven't heard my voice before I'm Owen Rask, founder of Rask Australia, and this episode is going across the Australian Investors Podcast and the Australian Finance Podcast. I don't know about you guys. I know the Equity Mates community is massive. We've got about 80,000 monthly listeners across the two podcasts. So, I'm a bit nervous. I'm a bit nervous, to be honest. It's going to be a good at, but I'm a bit nervous.

Alec Renehan:

Owen, you've been on our show before.

Owen Raszkievicz:

I know. But this is high stakes. I think this is got to be the first crossover by four podcast channels in the Australian history.

Bryce:

It could be an Australian first, that's for sure.

Alec Renehan:

Yeah. Well, let's call it an Australian first and make people fact check us. But no, I think, for the Equity Mates community for the Get Started Investing community, I think a lot of people know Owen. There's probably a lot of crossover between our podcast audiences, but Owen is the founder of Rask Invest Podcast, host, investor, extraordinaire.

Bryce:

Yes, that's right.

Owen Raszkievicz:

I don't know about that, but I'll take it.

Alec Renehan:

Yeah, take it. We've got a lot to discuss today. Well, the first click bait title, the truth about value investing, then we've got a hidden software stock and then a VIP pitch. So a lot of click bait in that introduction, but a lot to cover. I'm excited to get into it today.

Bryce:

Yeah, that's it, Ren. This is in celebration of the hard work that's been going on behind closed doors for the Value Investor Programme that has been a long time in the making between Rask and Equity Mates. We're really, really excited to now be able to at least give the Equity Mates community a couple of really valuable courses to help them on their investing journey. So, Owen, I know we're going to talk a bit about it towards the end, but do you want to just give a quick spiel as to, what we've done and why we've done it?

Owen Raszkievicz:

Yeah, sure. So we've launched two courses and one of those is the Get Started Investing course, which we've tried to marry against your great book to try and give an online lighter version of the book. The hope is that all listeners can read to Get Started Investing book and take the online course if they choose. Then we've got this epic programme, which we call the Value Investor Programme, which has been an undertaking. I've got to tell you, gens, I know you guys know this, but everyone listening. Creating an online course, isn't easy, and we've got about 15,000 students enrolled in our courses already. This one is by far the biggest, most in depth value investing curriculum we've ever put together. So, super excited.

Bryce:

Wow.

Alec Renehan:

Look, we didn't put the course together. Owen and the team did a lot of the hard work, but we know how hard it is because we had to fly down to Melbourne and then Owen had to fly up to Sydney even just to do our part of it.

Bryce:

I know. A lot of time and effort has gone and it's great. Owen, I'm really excited and we're also incredibly thankful for the work that you have put in. You mentioned that it's CFA, chart holders, portfolio managers, chartered accountants, they've all done courses through you guys. So, plenty of experience and there's a lot of value to take out of these courses.

Alec Renehan:

Yeah. I think for the Equity Mates community and the Get Started Investing community, courses is something that people have asked for a lot. Bryce and I aren't experts, we're not from the industry, we didn't feel like we were in a position to actually teach other people through courses. But, Owen, you're an expert in the field, you've come up in the training school of training schools, which is the Motley Fool Australia. We couldn't think of anyone better to put together a course for the Equity Mates community.

Owen Raszkievicz:

Yeah. I really appreciate that guys. What I found is that through studying things like the CFA exams or doing master's degrees and whatever, I actually am really surprised that still we get people with 10 years experience or more coming to take our courses on investing. That just highlights how difficult it is to find really good sources of practical investment education in Australia, and even probably globally, there are some really reputable firms. But yeah, we're stoked. I did some workshops in person and I found portfolio managers were rocking up to the programmes and I was getting the sweats because I was thinking, "Surely, you guys should be teaching me," but it's the way our industry's constructed. I'm so glad that we can just really help people, whether you're new or advanced.

Alec Renehan:

It's just because they want that hidden software stock, Owen.

Owen Raszkievicz:

Yeah. We'll get to that.

Bryce:

Yeah. Let's get to that. So we're going to have a bit of a chat at the end of this episode about the Value Investor Programme, why you should take it, what you'll get out of it, what you can hope to learn and how to get involved. But given that it is all about value investing, Owen, and that's your wheelhouse, let's spend about five minutes or so unpacking value investing and answering the question, is value investing dead? So, where do we want to start? Is it dead?

Alec Renehan:

Hold on. Before Owen gives us a technical answer, Bryce, is value investing dead?

Bryce:

No.

Alec Renehan:

There we go. Move on. [crosstalk 00:05:56]

Bryce:

Quality content comes in you can expect in this course.

Alec Renehan:

All right, Owen. Talk us through it. It's obviously the last 10 years of our investing lives have been dominated by large cap growth stocks. The value investor has underperformed the market. We've had a few on Equity Mates. God, it's tough to be a value investor when growth is ripping, but is it dead as a philosophy? Is value investing dead?

Owen Raszkievicz:

I would agree with Bryce. I don't think so. I think to understand this, we've got to go back to what is value investing. Value investing is just the concept of buying something for less than it's worth. If we go right back to the beginning, the forefathers of value investing Ben Graham and Warren Buffett, what we've seen is an evolution of value investing. So in the beginning, it was try to buy companies where the total value of the company was worth less than the cash they had in the bank. So that was during depression era stuff where Ben Graham could just run a statistical analysis using a pen and paper or pencil and paper to figure out what was cheap. Warren Buffett then came along and started to take that to the next level and think about what he calls owner earnings, which is basically like dividends plus the increase in assets of a company.

Owen Raszkievicz:

So as the company gets more valuable, does it buy more buildings, properties, etc.? Then Charlie Munger met with Warren Buffett, and this is where things started to get really interesting. It moves us into the modern era of value investing, which is Charlie Munger basically taught Warren Buffett, "Buy wonderful companies at a fair price. Don't buy those cheap cigar butts that Ben Graham taught you about. Buy companies that you can hold for 10 or 20 years, companies that will keep compounding." That's what we know today is growth stocks. So the companies: Amazon, Google, Apple, all these businesses started off as much smaller businesses and they had intrinsic values at the time or valuations that were much lower than they are today. That's what we've seen the evolution over time.

Owen Raszkievicz:

One of the questions I always get is, is discounted cash flow analysis dead? That's called DCF analysis is what we teach in the course. The reality is no, because at the end of the day, something is only worth what you get back from it, however you're accounting for that. It's only

worth if someone will buy it from you in the future or the dividends you receive. So, regardless of whether you're investing in meme stocks, you're still going to get something back in the future. So we're try and estimate what that probabilities.

Alec Renehan:

Well, it depends what meme stock.

Owen Raszkievicz:

Well, there's some stocks that just keep going down and becoming even bigger meme. Then I think one thing that's we're talking about is the art of value investing. So there's the right brain, left brain.

Alec Renehan:

Well, Owen, before we move too far into that, I guess the question that comes out of what you've just said there is maybe the right question isn't, is value investing dead? The right question is, is value investing a useful label? Because we did an episode on Get Started Investing a few weeks ago, where we spoke about, you don't have to pick a side, there's active, a passive value vague growth. There's all these debates in the investing world. A lot of them, at the end of the day, don't really matter. You can be on both sides of them. It just feels like from what you've just said there, the idea of value and growth being like too distinct camps, constantly at war, disagreeing on the right way to invest is just to not a useful distinction in 2022.

Owen Raszkievicz:

Yeah. That's fair. I had it put to me that old value investing, the way we were taught is buy \$1 for 60¢. But the modern, I guess, take on that is buy \$1 for \$1 that goes to a \$10. So buy something that increases in value and hold onto it. I think, you spot on we often draw these lines in investing, we give ourselves false choices. A false choice is, I guess, a shortcoming of our brains where we think, "Oh, I need to turn left or right because I can't go straight ahead," when both roads would meet in the end anyway. You've seen the tortilla ad or the taco ad where the young Mexican goes, "Why not have both." Hard or soft shells, it doesn't matter. It's still a taco at the end of the day. You can have both because the value or growth investing, they're one and the same. Again, which is comes back to what we are buying it for versus what we get back.

Alec Renehan:

So, based on that, let's move to what you were saying before the art of value investing or the art of value plus growth investing, whatever we're going to call it. How do we actually execute it?

Owen Raszkievicz:

Yeah, sure. So, one of the things and you guys would've experience with this starting your own business, let's call it an empire. Mine is maybe just a small minnow next to yours, but you would know, there's a lot of stuff that goes on behind the scenes. We have our own balance sheets, like when I do my numbers in zero every month or every quarter, that's the only time I check the profit and loss, to be honest, other than making sure that we're running okay. The reality is the businesses aren't just spreadsheets and they're not just financial data.

Alec Renehan:

Don't [crosstalk 00:10:54]

Bryce:

This is a zero.

Owen Raszkievicz:

But at the end of the day, there's a lot that goes on behind the scenes. So I heard this really good investor and educator out of the U.S., Brian Feroldi basically say that, "Over the short-term, one day, stock prices might be driven by news flow. Over a year statistic show that it's maybe multiples like price, earnings, ratio and that sort of stuff." But over five and 10 years, what you are actually getting when you buy a stock is you're getting the value of people creating new solutions to problems, and you are betting on people innovating. If you think about that, there's no number that could necessarily tell you, "Which team might innovate better than the next?" You've got to actually understand what they're working on and how they're solving that problem. That has, again, nothing to do with the spreadsheet. So, that's where the art of value investing comes in, it's estimating what will be in the future. That's a qualitative stuff, it's the stuff we build on from our experience in philosophy.

Bryce:

Now, Owen, we've spoken a number of times with you on the show and on OSBIs and we talk about it in the courses as well, and that's around the biases that we often face as investors. So before we move to the hidden software company, do you want to just chat through your thoughts on some of the biases that we may need to overcome as an investor?

Owen Raszkievicz:

Yeah. Sure. Well, Ren already brought up one, which is this false choice. My portfolio, actually, as I reveal in the Value Investor Programme, my portfolio having done this for over 10 years now is actually not what I want it to be.

Bryce:

Okay.

Alec Renehan:

There's no enough zeros.

Owen Raszkievicz:

Yeah, that's the first thing. But second of all is that, the way I invest today is very different to how I started investing and that's okay. But what I articulate in the course is that basically we have that core and satellite approach to portfolios. Oftentimes you'll have a fund manager on your podcast or a commentator and they'll say, "You need to invest in index funds." Then the next one will say, "Buy individual stocks." It all sounds really great when they talk and then you are influenced by that. That's an example of your biases coming out, you hear this news, it's a

recency bias, it's confirmation bias, it's whatever you internally believe. Now, we don't have to make that choice. We don't have to make a choice between active or passive. We don't have to make a choice between ETFs or shares. You can have both, you can have all of them, it's okay. That's one thing that I've realised.

Owen Raszkievicz:

The way we combat these things is basically having a toolkit of mental models. One of the most powerful that I've come across is basically this, asking yourself what sucks. So whenever you make an investment, invert the logic, "Why would I not buy this? What sucks?" Just having that is super powerful and it combats a lot of those biases that you might be thinking. There are many others, there is a whole, there are many, many websites that deal with this. One thing I might just call out quickly in how to combat a lot of these is just writing down your thesis. You guys have talked about this, write down why you own a company or an ETF or anything, why you're building wealth in the first place. Anything that you write down will help you because it will help guide your future self make better decisions. That's just a way to combat these biases.

Bryce:

Yeah. That was a game changer for me. I think writing down the thesis, I think I've bought a lot less by forcing myself to write down thesis then you would answer that question, what sucks, and you go, actually, "This sucks."

Alec Renehan:

Doing handwriting sucks?

Bryce:

Yeah. So I'd go to the computer.

Alec Renehan:

Yeah. It's such an easy thing to do once or twice and then just never do again.

Bryce:

Yeah.

Alec Renehan:

But that habit of doing it every time, the discipline of doing it every time is such an important skill.

Bryce:

So, Owen, it's that time we love specific stock chat and you've been kind enough to always share your time and some of the stocks that are on your watch list. But I guess keeping in mind what we've just discussed about value investing and the evolution, what's the company or this one hidden software stock that's coming across your screens at the moment and really ticking a lot of boxes for you?

Owen Raszkievicz:

Yeah, sure. So this is actually one company that is in my top five holding. So full disclosure, I actually own this company. The reason that it has got there is because I've held it for quite some time. So, I didn't just in all guns blazing. I think that's really important because this is a smaller company. It's about \$400 million or just over if you have the market capitalization, but if you exclude the cash that it has on its balance sheet, it's around about A\$ 400 million. This is a company called RPMGlobal. Now, it's really important we chatted off air about this. Please do not get confused. There is a company which trades under the ASX ticker symbol RPM. It is not that, this is RPMGlobal trades under the ticker symbol RUL. What does it do? RPMGlobal is a mining software business.

Owen Raszkievicz:

Now, it sometimes gets caught up in the mining services and mining consulting because that's where it started in the 1970s. It started as an advice giver to mining engineers, to mining owners, all these different types of plays in the resources' sector. Over time, what it did was it realised that software is going to play a bigger part in the way we manage mines, the way we optimise mines, the way we plan for mines. So, it started to build its own software. It started to buy software, but it wasn't really until 2012, when it really changed gears. Behind the scenes, I guess an IT professional, an enterprise professional named Richard Matthews took the helm of RPMGlobal and he comes from an IT enterprise background. So he saw all of the challenges in mining that could be solved with software that talks to other software.

Owen Raszkievicz:

Basically, he said about building this software that could be sold on subscription to help miners plan, to help them design. Imagine those big things that look like Tonka trucks, every time that takes an ineffective route around the mine, it's wearing down the tyres and those tyres aren't cheap and they maybe take a day or two to replace. Every one of those, routes that it takes during the day with a full load could be minimised and then ultimately save money. So this is like what we call asset maintenance tracking. It's one of the pieces of software that RPMGlobal is known for. That's basically what's happened is the business from there has taken it in its stride to increase its spending on software and create a full suite of software that can talk to other pieces of software at the mine site. This is a really interesting business and it's still early in that journey.

Bryce:

Is this a company that has its software being used at some of the big mines in Australia like the Rios, the BHPs, or is it at the smaller end of town?

Owen Raszkievicz:

Yeah. So all of those that you mentioned, Rio Tinto, Glencore, BHP, I think Anglos in there too, basically all of the biggest mines in the world. Some of software somewhere in the world. The really interesting thing about mining software and Richard Matthews talks about this is mines tend to be what we call fast followers. So they don't want to be the first one that uses the software because if something goes wrong, it's a pain in the backside to get it out. So, what they

effectively do is it's like they have foundation partners for their software. They say, "We're going to build the software and we think it's perfect for you. But here, we'll build it together, we'll work with you to build it so you don't have to take the risk. Then what we'll do is we'll then take that as a case study and then sell it to other miners who want to follow in your footsteps."

Owen Raszkiwicz:

It's a fantastic way to think about selling the subscriptions because miners are often averse to subscriptions. So it's a really interesting concept coming and selling this software into mines, but they've done a really good job. Since 2012, what we've seen is the software, if you look in the segment report and the annual report, this is in the notes to the financial statements, you'll see it, the software division has been profitable for many, many years, but it's the advisory and the consulting side of the business, which has been ebbing and flowing with commodities prices. So we're seeing it take over now.

Alec Renehan:

Well, Owen, I was going to ask you about that because for the last four years, it's made about \$70 million every year, \$73 million, \$79 million, \$78 million, \$66 million. It hasn't turned a profit for the last couple of years. When we started here, we spoke about companies that are growing quickly, that revenue line doesn't look like it's going in the right direction. Can you talk to that?

Owen Raszkiwicz:

Yeah, sure. So, that's a great question, I like the harder question. So I think, off the top of my head, about 90% of its software is now sold on subscription. This is a classic, I guess, shift to software as a service. So what happens is, historically, when you would sell software, you'd be familiar with this if you got the old Microsoft Office Disc, you'd pay a \$100 and you'd get it for life or whatever. Then they shift it to Microsoft 365, where you pay a bit every month. What actually happens in that process is you actually cannibalise your revenue because you're effectively taking future years' revenue and you're taking it in monthly or quarterly or yearly blocks. So, what we can see if you dig into the presentations, you'll see the RPMGlobals, the predominant timeline or I guess, amount this left on the contracts for its software is three to five years.

Owen Raszkiwicz:

So they're effectively saying, "Don't pay us all of that upfront so our revenue's not going to grow today, but we'll take it in the future because you are contracted legally to us." That's why you don't see that budgeting. That's where we're seeing that shift in the mix. I'll give you one statistic which I found really interesting. They made an update to the market in February 2022. What they said was, "We've sold, I think, it was \$31 million of subscription software this year, this financial year." So, that was seven months. They now have \$81 million banked for the future. So that shows you how quickly they're moving \$31 million just in seven months versus \$81 million overall. To they're growing that future pipeline very quickly.

Alec Renehan:

Nice. Then one other question from me, Owen, I don't want to be the guy that's asking all the hard questions, but it, hey, someone's got to do it. So we obviously are living through a great

commodity cycle at the moment in Australia. Iron ore has done well, coal did really well last year, some of Australia's big commodities were hot around the world. How much is this company exposed to the commodity cycles? How do you think that would go if iron ore, coal fall from here?

Owen Raszkievicz:

Yeah, I think it would be volatile. I don't think that investors would like that. So, that's probably the first thing. The other thing to keep in mind though, is that as they bank more of these subscriptions, they're getting that annuity like income. So it's not immune to those experiences. What we see is that when commodity prices fall, we see that advisory and the consulting revenue, which is still a big chunk of their revenue fall away because that predominantly works in like the M&A space. So when they give consulting advice, it's to people that want to merge or start new mines or whatever, and that we'll see that fall away pretty quick, and that's a pretty ugly of the business, but we should see that software continue to grow.

Owen Raszkievicz:

The other thing to keep in mind is they're launching new products. So they're becoming more valuable to existing customers. The final thing is a lot of people lump this business in with other mining exploration companies. It's not that they don't necessarily do as much work in that, they're more in the scheduling and maintenance side and optimization side of mining. So more existing mines, mines that have already been committed to. So they've got those three to five year plus contracts that should see them good stead through the ebbs and flows of commodity prices.

Bryce:

So, Owen, we've just spoken about writing down a thesis and asking yourself what sucks. So you've given us the bull case for the stock. What's the barrier case? What's the part that sucks about this?

Owen Raszkievicz:

Yeah, so the business has to keep growing. I think they're on track to do about \$80 million of revenue in the financial year. It's a \$400 million business and it's expected to do a revenue about \$80 million, so that's five times sales. The business as Ren pointed out overall is not profitable from a total consolidated profit and loss statements perspective. So it's important to keep in mind that valuation is pretty rich and if we do see sentiment shift away, we're seeing all of these tech stocks get whacked. The other thing is I think the business while they probably wouldn't say this is pretty dependent on their CEO, Richard Matthews, if you see him present, he's a very charismatic and a very optimistic leader. I think he does a really good job of attracting and inspiring engineering talent to come into mining, which is typically not where they want to be.

Owen Raszkievicz:

So I think he's like this visionary. Fortunately, when he became CEO, he actually bought a heap of stock in the business, so that the chance of him leaving is pretty low, but it is a risk. The other

thing that I just want to highlight is that it has to grow. It basically has to grow to justify the valuation. As you guys have alluded to, it hasn't at the top line. So we really want to see that growth, pick up, and go forward. One more thing is acquisitions. They've made a lot of acquisitions over the years to compliment their internal R&D. They've made some investments as well, but fortunately the acquisitions have been small and have complimented the existing infrastructure. I don't know. If they get a bit too heavy handed in their acquisitions, we could see that go badly. So, those are some of the things that I'm watching.

Alec Renehan:

So, Owen, I'm just scrolling through the RPMGlobal's website and looking at all the different software systems they have there. Some of them are so specific. There is one software solution, which is the Underground Potash Solution software. It just got me thinking about moats, it feels like these guys have a pretty solid head start in a pretty niche industry. When you think about moats for this business, what comes to mind?

Owen Raszkievicz:

I'd say the stickiness. So the stickiness of existing customers, means that it's like mission critical software. The other thing is the mining industry, they are kind of a leader. I'm not going to say they're leader. They do work with SAP and integrate with big enterprise resource planning software. So the more, I guess, embed they get with those big ERP systems, the better and more sticky their software becomes. So I would like to say that in time they have pricing power, the true sign of a moat, regardless of what type of moat it is the ability to attract customers and increase prices, or at least retain customers.

Owen Raszkievicz:

If you can do both, that's the sign of a moat. So I would suggest that we will see them incrementally have those prices increasing over time while also retaining customers, which is the key insight there. I think that's going to come from the fact that once you've installed the software, once it's working with the designers who are offsite, all of the project managers who are onsite and everyone's using it and familiar with it, it's pretty hard to get rid of project management software and anyone would tell you that.

Alec Renehan:

Yeah, the switching costs are very high. So, look, even if it's got a moat, if it's doesn't have a big market to grow into, it can still not be a great investment. It can be raising prices on a small number of customers and be limited. So I guess my final question about this company is, is it primarily Australian or is it servicing miners around the world? When we think about total addressable market for a company like this, is it every mine in every country in the world, or is it more limited than that?

Owen Raszkievicz:

What's traditionally focused on things like thermal coal, copper, and those types of things. In themselves, they're multi-billion dollar industries. You're right, the software is somewhat specific. I think if you exclude exploration software too, it becomes a bit more narrow. So software for

exploration, I think, off the top of my head when I went back and did this a few years ago, I think it's about \$700 million a year, that was the estimate of the TAM for that. This is, I guess, more niche as you say, but it's still got a TAM, I believe that's in the hundreds of millions of dollars. They're not going to get all of that. There's no way that they'll get all of that. There are incumbents. They are one of the leaders in this space. What we've seen recently, Ren, is there's also strategic value in these businesses.

Owen Raszkievicz:

So we've seen a couple and there's one here in Australia, actually, that was a big mine designer scheduling software provider that actually got taken over and it got taken over for a pretty hefty multiple. So, they even made comment on this in the most recent report to say that there has been a lot of our competitors being consolidated into bigger enterprises. That's something that's in the back of my mind too, is that even if they don't realise the full potential, there could be strategic acquirers for this business.

Alec Renehan:

Yeah. Love it.

Bryce:

Love it, Owen. Well, as always, you've delivered us a stock that we didn't know about, which is what we love here at Equity Mates finding new inspiration and new ideas. So thank you so much for that. You're sitting there wondering how Owens come with this thesis and done the DCF then think no further, because it's now that time of the episode where we really discuss the Value Investor Programme. If you are listening on, Get Started Investing, it's worth shouting out that we do have a free Get Started Investing course that Owen spoke about at the top. If you've bought the book, thank you so much for the support. This course, really, I think compliments what we've spoken about in the book.

Alec Renehan:

Wherever you're listening, it's always worth recovering the basics.

Bryce:

Absolutely.

Owen Raszkievicz:

Absolutely.

Alec Renehan:

Having a strong foundation.

Bryce:

Absolutely.

Alec Renehan:

Yeah. I think it's free, Owen put a lot of work into it. We've put less work into it. There's still some work into it.

Bryce:

Yeah. We've supported it.

Alec Renehan:

We've supported. Yeah. We are the sous chefs in this kitchen.

Bryce:

Yeah. Big time.

Alec Renehan:

But I think it is a worthwhile course to do, even if you're Jeff Wilson or Hamish Doug Wilson.

Bryce:

That's it. So it's free and available on both of our websites and the links will be in the show notes and we'll give a bit more information right at the end of the episode. But Owen, let's chat about the Value Investor Programme. Why should someone who's listening, the community at Rask Australia and here Rask Invest, why should they take this course?

Owen Raszkievicz:

Yeah. So, as we mentioned at the top of the show, investing is somewhat of a black box for a lot of people, you approach investing and you think, "I don't know this thing called valuation. I don't understand how to build a portfolio. I don't feel confident." Then there's some people that are confident that probably shouldn't be as confident. I was one of those people. So, this programme, it's the Value Investor Programme has been around for a while. We had this 1.0 version. Basically, what it was, was a way for people to learn basically this consolidated knowledge around: how to value companies, how to find companies, how to research companies, and basically do that from start to finish yourself. Now, I think we'll get to what's included in the course, but if we just focus on what's going to happen if you take the course, I think what you'll find is that you'll go from feeling unsure, but somewhat knowledgeable to very sure and able to take on other bits of your curiosity, which you haven't scratched yet.

Owen Raszkievicz:

So these bits of your knowledge, which you need to fill in. We'll give you the tools to feel confident enough to go and get them and to put them in your wheelhouse.

Bryce:

Love it. So it's not just go online, log in and read through a bunch of materials. What are we actually going to get from this course?

Owen Raszkievicz:

Yeah, sure. So one of the big things that we know is that our students love downloads. There's no point of just watching a presentation or whatever. You can just tune into some webinar for that. What you get is you get the written form of it, which is, probably, I don't know, guessing a hundred pages, 150 pages, somewhere like that, that's what the equivalent of what it probably would be. But then there's hours and hours and hours of video, and then there's a heap of me screen sharing and showing you, "This is how this discounted cashflow analysis works. This is how this checklist works." Then you can download all of them in Excel or Google Sheets form. We use this thing at Rask called Notion for all of our investment research. It's where we put all of our notes from companies.

Owen Raszkievicz:

So you'll get all of the templates for that as well. There'll be workbooks where you can keep your notes. Google Docs is all this stuff that comes with it, but the three of us are keen to do is also to make it a bit more real and a bit more interactive is actually have a few live sessions.

Bryce:

Yeah.

Owen Raszkievicz:

So, we're going to have three online sessions, three live sessions to talk through. Two of them will be about companies. The first one, three of us will sit down and talk about investing generally and interact with everyone, all the students and learners that take the course. But then the next two will be the community can vote on which companies we look at and we'll do a full case study on both of those.

Bryce:

Awesome.

Owen Raszkievicz:

We do that together.

Bryce:

So if there's nothing other than wanting to sit down and have a chat to Owen, myself, and Ren, then this course is the way to do that. So I'm really excited about that. You said it is for early adopters. So, it's for those that sign up to the course within the next seven days or so. I think we're running that through until about the 8th of May or thereabouts. So yeah, lucky enough for those who take the action to get on that course now will be able to join those three live sessions, two which will be with you, Owen, as you said, actually, going through some case studies live, which would be really, really helpful. I'm certainly looking forward to tuning into those, to sharpen up my DCF skills, that's for sure.

Owen Raszkievicz:

That's one thing. I was just quickly say that that's one of the things that I just really wish I had when I was starting investing and wanted to learn more is to go, "Hey, this is the problem that I

have. Is this the right thing?" We talk about in investing and once you get into the weed, you talk about cash flows, you talk about different formulas to calculate free cash flow and you get confused. It's so easy to get confused. Have someone to say, "No, that's not right. Here's what you got to do." It's just invaluable. So, that's what we're trying to get out of everyone in those live sessions.

Bryce:

So some of the awesome parts to the course that I think are incredibly valuable is you build out and approach to finding, researching, and valuing businesses. It's just the core essence of value investing and really helping us. No matter how you learn, if it's visually, if it's watching videos, as you said, or cracking to the workbooks, everything around portfolio, construction, ETFs, growth stocks, it's all in there. Super exciting. Anything else that we're going to be taking away from the course?

Owen Raszkievicz:

Yeah. I think this is not designed. The course is not designed to tell you exactly how to do it in terms of, what's right for you. It gives you the skills to build a portfolio that is, in your opinion, right for you. So what I mean by that is we'll tell you how to value companies. We'll tell you how to invest in this or invest in that. We'll tell you those skills, but it's up to you to then take that and make it your own. One of the workbooks that we've offered as a download is basically what we would call investor policy statements, so an IPS. This is what you would do if you were doing level three of the CFA programme, or you were even just seeing it. Maybe I see it in financial advisor, although it's no replacement for that personal advice, you should always get personal advice.

Owen Raszkievicz:

But, what it does is it gives you self-reflection questions. Do I want to invest in an ethical way? Does that not really matter to me? Do I want to invest in global stocks? If so, how much? So we'll give you skills, but then we'll also give you the application. That's really, really important. To do that yourself, I think that save your time, money and it just makes you feel more confident.

Bryce:

Yeah, absolutely. Just briefly, what won't we learn from this course? Because it feels like you're trying to cover everything in here.

Owen Raszkievicz:

Yeah. So this is the classic Charlie Munger counterpoint. This is not an encyclopaedia, it's not investopedia, it's not a replacement for any of those things, it's not a textbook. It's actually like real world application. So it's, what are the tools do I need and what do I need to know? If you want to know how to value companies, if you want to know how to construct a portfolio, we're going to tell you that. We're not going to teach you modern portfolio theory. I'm not going to teach you how to calculate a beta to four decimal places. I'm not going to do all that. I'm going to teach you exactly what I think I use every day or what I use in an average, say, a year when I invest and what I think industry does as well. So I think that's the key difference.

Bryce:

I think something that is very important to stress here, and this is a common ethos and between the two of us it's that we want to make markets accessible, and that carries through to this course as well. We're not expecting anyone to know anything about investing, accounting the stock market, how businesses work. You will be able to start from almost scratch and work your way through this course. If you're curious enough, you're going to get a lot out of it and people, private investors, new investors, looking to learn about business, the economy markets, you name it, all you need is a bit of curiosity and passion to improve your own investing skills. This course will help you along the way. Don't feel put off by the fact that there's already some jargon being thrown around. I think, Owen, you've done a great job at making it accessible for anyone at any stage in their investing journey.

Owen Raszkievicz:

Can I give you one example of someone? I won't mention his name, but he'll be listening and he'll know who he is.

Bryce:

Okay.

Owen Raszkievicz:

When I did these workshops in person, we went in Melbourne, Sydney, Brisbane, and we did small workshops around value investing. I then took that and I put that course online and someone reached out to me and said, "Hey, can I take that course?" I said, "Sure, go for it." This was probably one to two years ago. This person is a physiotherapist, no financial background at all, but it was really curious, listens to your podcast, listens to our podcast, wanted to take this course. He took the course and then it just ignited what he'd already been passionate about. It turns out that he's actually written five of the topics within the course. He shared his notes on those topics. So within, one to two years, he's got to the standard where he's really confident and really knowledgeable in these topics and he can do it himself. I'm not taking credit for that, I'm just humbled that we could play a part in that journey.

Alec Renehan:

You should take a little bit of credit on.

Bryce:

Yeah.

Owen Raszkievicz:

Just a little bit, maybe.

Alec Renehan:

Yeah.

Owen Raszkievicz:

But if you've got the curiosity, it will help you along your journey and will be able to propel you over that journey.

Alec Renehan:

Yeah. Look, I think we've said a lot about this course. I think the that's the concluding thought. No one is going to give you the answers in investing and that is both its beauty and its drawback for some people. There's no perfect portfolio and there's no subscription or advisor or anyone that you can see that will do all the work for you and make you a millionaire. You got to put the work in if you want to be a great investor. But the biggest point of confusion is, "I don't know where to direct my efforts." That confidence of not knowing like, "Am I learning the right things? Do I know everything? Is there stuff that I'm missing?" I think for me, the value of this course is the confidence that there's been lot of thought and a lot of effort put into this by people who know what they're doing, AKA you and your team, Owen, not so much personal.

Alec Renehan:

This is pretty comprehensive. You're never going to cover every aspect of investing, you're not going to learn to be a day trader by doing this course, but if you want to find long-term growth stocks that will compound, if you want to understand how to buy them at a price that is reasonable, if you want to understand moats and financial analysis and all of that stuff, this is a really cool comprehensive course. There is a price tag which we will get to, but for me, that confidence that peace of mind that I'm getting something that's had effort put into it and is comprehensive is, that's the value in the Value Investor Programme.

Owen Raszkievicz:

I was just going to say that, I guess, the value of the course won't be immediately apparent because even though we give you heaps and heaps of downloads, heaps and heaps of resources, like unbelievable amounts, and it's all pushing you in one direction, you probably won't realise the full value of this course until many years down the track. One really good investor here in Australia, Joe Magyer, he's now back in the United States, but I reckon he's one of the best investors in Australia from the past 10 years.

Owen Raszkievicz:

I was pitching and moaning to him about this having to do the CFA programme while I was studying, while I was trying to start the business and whatever. He turned to me and he said, "Owen, you have to know the rules of the game before you can play it." That one sentence was enough to be like, "Okay, this is what I've got to do, and I know it now and that's going to make me better." I didn't realise at the time, because I was really struggling with it. But years later I look back on that and I think, "Wow, that was so valuable to me," and I couldn't have quantified that at the time.

Bryce:

Awesome. Well, now is the chance the course is live. The course is \$499, but plenty of value in there, there's something for everyone. So, don't feel like this course is not for you. It is a joint

venture, but obviously, it doesn't matter if you don't enrol. There's plenty of podcasts between the two of our businesses as well, plenty of content to listen to. However, if you do enrol within the next week, as I said, by the end of this week, 8th of May, thereabouts, you will have access to three live 60-minute webinars with Owen, one of which, Ren and I will make an appearance and just bring some vibe, I guess.

Alec Renehan:

Maybe it'll be a surprise, which one as well.

Bryce:

Yes. They'll be hosted after work in a time where it's accessible for everyone and you can just jump on, hang out with Owen and really go through some practical case studies with him and ask questions to do with the course. Now, if you do apply a coupon code EQUITYMATES is the coupon code. You'll get a discount on that \$499, I think comes down to \$399.

Alec Renehan:

Not bad.

Bryce:

Pretty good discount already. Look, we're really excited. As we said, first time doing something like this and couldn't have thought of a better partner to have done it with Owen. So thank you so much for all your effort and time that's gone into this and love it.

Alec Renehan:

So I just think we should be clear that there are two courses.

Bryce:

Yep.

Alec Renehan:

There is Basics of Investing, Get Started Investing free course that'll always be free.

Bryce:

Yep.

Alec Renehan:

Looking at you guys in case either of you have plans to slap a price tag on at some point.

Bryce:

Always be free.

Alec Renehan:

Then there's the Value Investor Programme, which is \$499, use the discount code, EQUITYMATES, all caps, one word, and it comes down to \$399.

Bryce:

That's it. We'll put all the links in our show notes so you can head to our website, equitymates.com, click on the resources tab, and the landing page will be under there. Owen, I'm not sure if there's anything different on your end, but we'll have links and notes on our end.

Owen Raszkievicz:

It'll be in the show notes. Yeah. Just click on the link. Use the coupon code. I think the free course, to be honest, we both stand for this. I think I speak for both Equity Mates community and the Rask community is that we want to help people invest better, whether you pay us or not, we want to help you on your journey just like we got help on our journey. So, that gets started investing course is brilliant, it's a good compliment to the book. It's probably not a replacement for the book is what I'd say because the book is much more comprehensive, but both resources, fantastic. Whether you choose to pay us or not, we just love your loyalty and really appreciate you being part of our communities.

Bryce:

Absolutely. Well, it's been fun doing Australia's first four-way crossover episodes. So thank you for your time, Owen. As always great to chat and we look forward to jumping on one of those live webinars with you in the next few weeks. So, thank you so much.

Owen Raszkievicz:

Thanks guys. I really appreciate it.