Evenlode Income Investment View

December 2024 – Winter reading

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With the holiday season approaching, the Evenlode investment team have compiled a list of books that we have read over the second half of 2024 - most, but not all, have been published in the last couple of years. We've grouped the reviews together by topic: Science and Technology, Investment and Economics, Business and Other Non-fiction. Some of these texts are not obvious light-reading for Boxing Day, but we hope you will find something engaging on the list!

I would like to thank all our co-investors for their interest and support this year, and wish you an enjoyable, peaceful Christmas on behalf of the Evenlode team.

Science and Technology

Dark Matter – Dr. James Kinross (2023)
(Evenlode Reviewer – Phoebe Greenwold)

Dr. James Kinross is a senior lecturer in colorectal surgery and a consultant surgeon at Imperial College London. He leads a research team focused on understanding how the microbiome causes cancer and other chronic diseases of the gut. Dark Matter is a fascinating exploration of the hidden world within us. Kinross delves into the intricate ecosystem of viruses, bacteria, and other microbes that inhabit our bodies. His writing is both engaging and informative, making complex scientific concepts accessible to a broad audience. Kinross explains how the microbiome, which we inherit from our mothers at birth, adapts with us as we age, influences our moods, and even affects our physical abilities and relationships. The book highlights the critical importance of this inner ecosystem to our overall well-being and the dangers it faces from modern lifestyles and diets. Dark Matter also addresses the global implications of microbiome science, emphasising the need to protect and nurture this vital part of our biology. Drawing on cutting-edge research and his extensive clinical experience, Kinross shows how working with our microbes, rather than against them, can lead to healthier, happier lives.

Nexus - Yuval Noah Harari (2024)
(Evenlode Reviewer – Lily Postlethwaite)

A book appears at first glance to be a fundamentally flawed vehicle in which to discuss AI, a technology which is advancing at breakneck speed by the week. However, Harari, ever the historian, manages to draw on lessons of the past to leave us with two clear guardrails for the future. AI bots must be clearly labelled as such, never being allowed to impersonate humans, and nations need to collaborate and co-operate openly. If indeed the fate of humanity hangs on the success of the latter, then the apocalyptic tone of Nexus is perhaps warranted. Harari juxtaposes our own cyclical, organic nature with that of the relentless availability of 'alien' intelligence, and weaves in fascinating human anecdotes of how other information networks have shaped our society up until now. One such example cites Meta's 2017 algorithm, primitive by today's standards, as inciting real-world violence in Myanmar against the Rohingya, ultimately leading to genocide. With stock prices at all-time highs for companies at the forefront of the AI boom and regulation scrambling to keep up, the words 'move fast and break things' ring out eerily from our recent past, out into the decades ahead.

Investment and Economics

Gambling Man – The Wild Ride of Japan's Masayoshi Son – Lionel Barber (2024)

(Evenlode Reviewer – Hugh Yarrow)

Lionel Barber, former editor of the Financial Times, has written an easy-to-read account of the life of Masayoshi Son ('Masa'), the man behind SoftBank Group – the software distribution company turned media-tech conglomerate he founded in 1981. From a Korean immigrant family, Masa's story is a rollercoaster. He became the richest man in the world for three days in February 2000 - thanks to SoftBank's valuation at the height of the dot-com bubble - only to then see his paper wealth plummet -96% over the subsequent eleven months. A scrapper by nature, Masa then reinvented himself as a technology and finance mogul – bankrolling Alibaba before the world had heard of it, and helping to finance hundreds of start-ups in the Silicon Valley boom of the last two decades (including fiascos such as WeWork). In the process he became, as Barber puts it, '*the single largest foreign investor in both capitalist America and communist China, the biggest start-up funder in the world, and the boss of one of the top ten most indebted firms, continually threatening a financial implosion*'. Buckle up for a wild ride!

The Trading Game: A Confession – Gary Stevenson (2024)

(Evenlode Reviewer – Chris Moore)

The Trading Game is a memoir chronicling Gary Stevenson's career as a trader at Citibank, first in London during the Global Financial Crisis and subsequently in Tokyo. The storytelling is good, detailing the intense competition for places on a London trading desk and the colourful cast of characters that help and hinder Gary as he learns the ropes. The book gives a real sense of life on the trading floor and in the City more generally during that period, and provides an informative explanation of what they do on the STIRT (short-term interest rates trading) desk, essentially using derivatives to bet on the direction of interest rates. Stevenson makes good progress, picking up lessons from his fellow traders and has a clear view on the impact zero interest rates will have on wealth and inequality. This leads to a highly successful period of trading, although his claim to have been Citi's most profitable trader has been disputed in the media. The last part of the book is focused on Stevenson's move to the Tokyo branch. His experiences as an expat in Tokyo are engaging, but at this point he's despondent and wants to leave while keeping his bonus. He manages to do that. For those curious about the world of trading and its personal consequences, The Trading Game delivers a captivating and insightful narrative.

What I Learned About Investing From Darwin – Pulak Prasad (2023)

(Evenlode Reviewer – Cristina Dyer)

Pulak Prasad is one of the founders of Nalanda Capital, an investment firm whose investment philosophy is centred on being permanent owners of high-quality businesses (those with a sustainable competitive advantage). Prasad book's offers lessons that are similar to those found in other well-known investment classics but with a fresh perspective, drawing insightful parallels between the principles of evolutionary biology and financial markets. He provides many examples from nature to illustrate that animals and plants prioritise avoiding fatal (Type I) errors over potentially missing opportunities (Type II errors). For example, bumblebees, despite having the ability to collect nectar from a wide variety of flowers, often learn to specialise in just a few types. This strategy reduces their exposure to predators and increases their efficiency by avoiding competing with other pollinators. While the biology analogies are occasionally stretched, the core message remains compelling – much like surviving in nature, surviving in markets depends on avoiding catastrophic errors and adapting patiently over time.

The Great Crash 1929 – John Kenneth Galbraith (1954)

(Evenlode Reviewer – Rob Strachan)

This is a short, pithy and well-informed account of the events surrounding US stock market crash of 1929. Published in 1954 by one the countries' leading economists and political advisors, it benefits from being close to the events, unlike modern history books. Along with tales of leverage-on-leveraged investment trusts and wild speculation (that support arguments for regulation to try and constrain people's animal spirits), the book contains much wisdom. "*But now, as throughout history, financial capacity and political perspicacity are inversely correlated. Long-run salvation by men of business has never been highly regarded if it means disturbance of orderly life and convenience in the present… Here, at least equally with communism, lies the threat to capitalism. It is what causes men who know that things are going quite wrong to say that things are fundamentally sound.*"

Money: A Story of Humanity – David McWilliams (2024)

(Evenlode Reviewer – Hugh Yarrow)

For McWilliams – a central banker and then an investment banker by training - the history of money provides a lens to tell the history of humanity through, from prehistory to the present day. McWilliams characterises money as a social technology - similar to language, writing and law – that was invented to cope with the abrupt shift from nomadic lifestyles to settled agricultural communities. McWilliams tells his story through a series of vignettes - from the first spreadsheet in ancient Mesopotamia, to a credit crisis in Rome, the rise of the merchants of Florence, the South Sea Bubble and onto Hitler's plot during World War II to drop banknotes on the British Isles with the aim of creating hyperinflation.

Cobalt Red: How the Blood of the Congo Powers Our Lives – Siddharth Kara (2024)

(Evenlode Reviewer – Callum McPherson)

Cobalt Red is a powerful book that uncovers the harsh realities of cobalt mining in the Democratic Republic of the Congo. Kara describes how men, women, and children work in dangerous and toxic conditions for very low pay. The book explains how cobalt, which is essential for the batteries in our phones, laptops, and electric cars, is mined under these terrible conditions. Kara shows how big companies often ignore the suffering of these workers. He calls for more ethical practices, traceability, and accountability in the cobalt supply chain. Kara's writing is vivid and moving, making the reader feel the struggles of the Congolese people. Cobalt Red is an important read for anyone who wants to understand the human and environmental costs of our modern technology.

Business

Banking On It - Anne Boden MBE (2022)
(Evenlode Reviewer – Phoebe Greenwold)

Anne Boden MBE is the founder and former CEO of Starling Bank, and the first woman to create a British bank. Banking On It is a captivating read that takes you through Anne's journey of founding Starling Bank, one of the UK's first digital-only banks. The book chronicles her adventures in building the bank from scratch, including her fallout with Tom Blomfield, who eventually left Starling to create Monzo. The book also provides fascinating insights into her thinking on how to create a truly customer-centric bank, which I found particularly interesting. She shares an honest and rather unglamorous portrayal of the journey of founding a business. In addition to the personal stories, the book delves into the challenges and triumphs of navigating the financial industry as a woman. Boden's determination and resilience shine through as she tackles regulatory hurdles, funding challenges, and the competitive landscape of fintech. The book is a testament to the power of perseverance and the impact of a customer-focused approach in revolutionising an industry. I struggled to put the book down!

Less – Patrick Grant (2024)
(Evenlode Reviewer – Ben Armitage)

Patrick Grant, renowned for his role as a judge on TV's "The Great British Sewing Bee," boasts a rich history in the fashion industry. Celebrated for revitalizing historic British clothiers and clothing brands, he has rescued businesses and restored profitability from Savile Row to the industrial revolution's dark satanic textile mills in the north. Grant provides a historical perspective on clothing production and is highly critical of the modern-day fast fashion industry, highlighting its reliance on fossil fuels and the staggering volume of unsold garments. Last year alone, 100 billion garments were produced, with up to 30% remaining unsold. Globally, a bin wagon full of clothes is dumped or burned every second. The average person now owns five times more clothes than they did 50 years ago. His book is a blend of biography and a passionate call to action, urging readers to reconsider the quality and durability of their purchases. Despite its stark message, the book is engaging and enjoyable and filled with potential solutions to the industry's issues.

Other Non-Fiction

The In-Between: Unforgettable Encounters During Life's Final Moments – Hadley Vlahos (2023)
(Evenlode Reviewer – Valerie Jordan)

We are problem solvers by nature, looking for 'the' answer, then documenting and teaching it to others. It feels good to figure something out, to tick that off the list of mysteries. Death doesn't fit that, nor is it taught in the same way as, say, maths, or socially acceptable to discuss when you otherwise might chat football. Hadley Vlahos, a young (unusual, for the industry) hospice nurse writes a connected series of vignettes that allows the reader to feel the space during death. Each person's death is unique of course and the simple writing gets out of the way so that the underlying emotional themes come together. Keep tissues to hand.

The Museum of Lost Art – Noah Charney (2018)

(Evenlode Reviewer – Callum McPherson)

This book is a fascinating glimpse into the world of art that has been lost to history. Charney delves into the stories behind these missing masterpieces, offering readers a unique perspective on the fragility and impermanence of art. The book is divided into sections based on different ways that art can be lost - theft, war, accidents, and vandalism. Each section is filled with interesting stories and facts. For example, Charney discusses the theft of famous artworks and how art crime is a major issue, with only a small percentage of stolen art ever being recovered. One of the most engaging sections of the book is the chapter on war, where Charney highlights how cultural destruction has been used as a tactic throughout history. He provides examples from various conflicts, showing the devastating impact on national heritage and identity. Overall, The Museum of Lost Art is a thought-provoking book that sheds light on the hidden history of art and some of the world's lost treasures.

The Evenlode Team
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Evenlode has developed a Glossary to assist investors to better understand commonly used terms.