



**Jake** 00:16

Thank you, Jim, for coming on the podcast today. I appreciate you taking the time. You're a legendary investor, founder and CEO of O'Shaughnessy ventures. And before that founder and CEO of Ashanti asset management, which was acquired by Franklin Templeton, you're a pioneer in the field of quantitative investing. And you've also written four books, including bestsellers, what works on Wall Street, and how to retire rich. So, you know, I've been following you on Twitter for a long time and got to listen to your podcast a bunch. And I've just been a big fan from afar. So it's great to finally be able to speak with you directly, I think the best place to get started would be for those who may not be as familiar if you could sort of tell your origin story from as early as you're willing to start to, you know where you are today and talk about some of the decisions you made along the way.

**Jim O'Shaughnessy** 01:01

Sure, Jake, and thanks for having me on. I'm gonna do the origin story a little bit different. I normally start when I'm a teenager, and I was in a conversation with my dad and uncle, and they were talking about the stock market. And I was just listening because the kid at the table, and I was listening to them. And I kind of thought what they're saying makes absolutely no sense to me. You know, they were talking about IBM, if I, if I remember correctly, and it was all about the CEO of that time and what he was going to do. And it all revolved around people. And I'm not dismissing people, but like, I asked the question, shouldn't you kind of want to know what IBM costs in terms of every dollar of earnings or cash flow or whatever. And they kind of looked at me like I had three heads, that led to all of the background research that ended up in the books that I've written that you mentioned. And that's actually where I'm going to start the origin story, because I was just having this conversation with a colleague earlier today. And I think my real origin story started, when I realized when I was on a walk, that if I really wanted to have my own company, would that was Bootstrap not backed by anybody else, I would have to do something different. And at that time, this is the early 90s, I thought, well, I should write a book. And, like, I got very excited. And I went back home. And I told my wife and my wife looked at me, and she said, You do know, Jim that like you're gonna need a



publisher for this book, right. And I'm like, details, details. And so again, pre internet, I went to the bookstore bought a book about publishers, in which it had all of the hundreds of publishers that you could contact. So I wrote a query letter, being naturally very lazy. I didn't want to start on the book until I knew I had a publisher. And finally, got tons of rejections. So kind of point number one, you'd mentioned to me that part of your mission here is to let regular folks know that they can do these things. Here's here's a great one. Don't worry about tons of rejections. Because like if you send out 100 things, and 98 of them reject you. That sounds horrible. But what about the two that accept you? That's the one you want to kind of focus on. And that's in fact, what happened to me, I got a lot of really funny rejection letters like who are you? We have no idea why you're reading us go away to acceptance letters from both McGraw Hill and Wiley. And that was actually my first book invest like the best in which I detailed what I had been doing as an asset management consultant, basically teaching the reader how they could clone their favorite money manager or mutual fund manager by looking at the underlying characteristics or factors of that person's portfolio. And then using the ones with the biggest deviation from the average in the market or the median, to create rules that created portfolios that looked acted and most importantly, performed very much like the underlying manager. The book was a modest success, but it put me on the map. And it got me invitations from CNBC, for example, to Hey, you want to come on and co host Squawk Box with Mark Haines. And it also led to my second book, right So kind of learning as I retrospectively think about it, learning backwards here by seeing what happened, it got me to say, wow, there's no single book that like looks at every factor and takes them as far back in time as possible. There was academic research. But I was interested in it from a practitioners point of view. And that led to the book I'm actually best known for, which is what what works on Wall Street. So I think that my origin story of trying to break into asset management, which was not nearly as crowded at that time, as it is today. Basically, if you've got some sort of special take on something, mine happened to be factors and quantitative investing, but it doesn't have to be that if you've got a special take on it, like now, with the tools that we have, right online, start a blog, start a podcast, you'll be surprised if you



persist, and you actually have something to offer, you're gonna find you're gonna find your people.

**Jake** 06:09

Yeah, I appreciate you sharing that. And there's so many parts of that, that resonates very strongly with me. I mean, from the get go, you talk about deciding, you're gonna go and write a book, and your wife saying, Well, you need a publisher for that. And you're just blowing off, like, you know, details or details. But I don't really need to, I think a lot of people get too caught up in why this could be complicated, or why this can be hard. And so they never go and take the first step towards trying to thing and, you know, now you've done for books, and, you know, bestsellers, and that's led to a lot of your other success. So I think that's, that's a great lesson to take away from the story in and of itself. The other is just persistence, like you said, I sort of have a mantra that I come back to, it's just like, every No, is one step closer to a yes. And if you can think of it that way. And you think of no as sort of actually being almost like an accomplishment, where you have sort of put yourself out there and taken the risk and, you know, dealt with the rejection and gone past the failure, it's actually sort of helpful and helps you sort of progress along your journey. But the thing I actually want to double down on a little bit is, you know, writing the book in the first place, because you could have gone and just tried to like, sort of raise some money and start a firm or something like this. There's all sorts of different ways you could sort of get started and build some traction and a career in investing. But writing a book seemed to be the natural thing for you to do. And now, you know, you've got, obviously, you've been writing on a blog for years, you've got the newsletter, now you've got the podcast you've been doing for years. So you're a big believer in basically sharing your perspective and learning others publicly. And I think when you did that, back, then people like thought you were crazy to be sharing this proprietary information publicly in a book, and you're like, you know, what, I don't really care. I think there's something to this. So you sort of identified this opportunity in like, high leverage media very early when it was just books and now it's blogs and podcasts and, and all the rest? How has that been a major contributor to your life? And I think you, you ended your story by saying, like, people should go out



and, and share their information publicly. You know, why don't people do that? Why should they learn some of the sort of like underrated benefits of just being public with a lot of your perspective?

**Jim O'Shaughnessy** 08:23

Yeah, that's a interesting question. Because going back to the idea that now there are so many platforms with which you can put your message out there. And, and I think honestly, one of the things that stops a lot of really talented people, is they're afraid, they're afraid of what other people might think of what they say do or, you know, advocate for. And the I think your idea about every no gets you closer to a yes, it's a much better attitude to have. You know, no, I've been told no 1000s of times. And you know, each time, like, I won't lie, like when I was younger, the first time I was told no, kind of aggressively, like No, you idiot, little kid, get out of here. It hurt and it stung. But then I started to kind of think about it from the way you look at it, which is a no is a learning opportunity. It's like a mistake, right? People I think, have the wrong take on mistakes, mistakes or gifts, in my opinion, because essentially, they're kind of like somebody's slapping you in the face and saying, Hey, dummy, pay attention here. Maybe you'll learn something. And and when when you look at mistakes that way you really reframe your internal mind, saying, Hey, I'm not afraid of mistakes. I think that they're the best learning opportunity I'm going to have presented to me and And that, just that if you can just reframe that, like, fear of what other people are going to think about you. Because by the way, as I've gotten older, I've come to realize that, you know, as much as we think other people are thinking about us, they're very rarely thinking about us at all. And, you know, the the mistake you made in a blog or a podcast interview, that you just feel so cringe about, like even some of your best friends, if you ask them that say, I didn't notice anything weird. So we tend to magnify our own failures in our own mind, much greater than the, in the minds of even our closest friends. Right? And, and so, if you can get over that hurdle realize, you know, what, the only way to really get anyone to notice you is to is to say what you think. And now with all of these various platforms in which we can do that, you know, even kind of look at as an upside downside analysis, like what's the downside, really, for most people, the downside is a bruised ego. You know, it doesn't get any traction. You



know, nothing life ending, nothing career ending. The upside is enormous. When you look at some of the people who've broken out like Kyla Scanlon, who is our entrepreneur in residence, you know, she she has turned her ability to explain complex topics around the economy. First, I think, on social media, but then an articles then in symposiums like she, she, she made it very vague, just by putting it out there. And so the upside, the the payoff here on this bet on yourself, so to speak, is huge. The downside is you're going to learn some things. You can pivot, you can always pivot. If something isn't working, you learn, oh, that isn't working. I wonder why. Try to figure out why. And then change it up iterate. So I definitely think that the idea to that, you know, like what works on Wall Street, as you mentioned, I actually had a major Wall Street investment bank tried to buy my old company O'Shaughnessy capital, but the provision was you can't publish what works on Wall Street, because they were in this mindset of, I guess we'd call it a scarcity mindset today. Whereas I think if you think more abundantly and you think you know what, let's try to aim at Win win games, again, that just changing your framework and your frame on how you think about that yields two really great things. Because, you know, what works on Wall Street's been through four different editions. It's been out there for more than 20 years. It didn't change our ability to run successful portfolios when I was at Oh, Sam. And I think that's because we were really arbitraging human nature, not numbers. Because, you know, everyone likes to joke they've never seen a horrible backtests well, by what works on Wall Street, and you'll see a ton of really horrible back. And, and things that kind of are red flags on what you've maybe want to avoid doing. But the point is, just put it all out there. People Yeah, will people attack you? Yeah. But they probably will, even if you don't put it out there. So the way I look at it is, you know, be bold.

**Jake** 13:48

Yeah, I totally agree with all of that. And I think to your point, people tend to overemphasize what other people will think, even if it's positive or negative, or whatever. Most of the time, like you said, people just kind of don't think or they might think for a second, but they don't really care. And so like my shortcut to try to, because it's just a natural human fear, I think of you know, worrying



about what other people are going to think. And totally the thing that I tried to keep in mind as much as possible to forget that is just nobody cares. And maybe that's an oversimplification and exaggeration. But it's pretty helpful as like, you know, other side of the extreme and then hopefully end up somewhere in the middle where you're like, caring a little bit, but not too much about, you know, what other people think. And that enables you to go and post your blog or tweet, whatever you're thinking or do the podcast or whatever it might be write a book. But you mentioned, you know, sort of these mistakes, and it sort of reminded me of something. And you also talked about how you got the offer to, you know, get acquired, but you know, there was a stipulation about the book, there was another acquisition offer that you received for a company called net folio. And I hope it's okay if I bring this up, because I've heard you talked about it on other podcasts, but it's interesting because This is something where you got a big offer to buy out this basically robo advisor company that you had built, which by the way, it's like still, I think you were probably like way ahead of your time with that, because it's still sort of a problem that companies are trying to solve it. And there's, you know, plenty of companies out there doing it. But there's no like one monopoly sort of in the space. And I think they're kind of couldn't and maybe we'll be, but you got this big offer. And despite sort of, provably again, writing in public, you wrote around that time that you sort of saw the.com crash coming. I think it crashed, like, maybe 20% a day or something, and then how to rebound but you were like, You got to walk not run to the ER, you got to run not walk to the exits, like this thing is, is going down. It's way too frothy out there. So you knew things were overvalued and you get this big offer. But yeah, you turned it down. And so I'm curious, like something like that. That's like a big, you know, money related event in your life pretty early, like relatively early in your career. But how do you sort of move on past that? Obviously, you've had tremendous success since then, that hopefully makes that a lot less consequential. How do you sort of like, look back on that today? How do you reflect on on turning down that offer?

**Jim O'Shaughnessy** 16:11

So it's a great lesson about what we were just talking about? Mistakes. In fact, I published a piece called the mistakes were made,



and yes, by me, and that folio was a big part of that piece that I wrote. That folio is actually an online investment advisor, not a broker, that's critical, because we actually got a patent, I have it around here somewhere. And I can't remember the exact language, but it's along the lines of, we got a patent for the origination and distribution of investment advice and fulfillment over a worldwide computer network. And, honestly, you know, we did that more for marketing purposes, because I couldn't be a patent troll, and try to enforce that plus, it would cost millions and millions and who wants to spend their days in court. But the the experience of.com was super interesting, because as you say, in April of 1999, I had written a piece called the Internet contrarian, in which I said all the things that you quote, you know, run, don't walk to the exit, this is the biggest bubble any of us have ever seen. Even the companies that go on to succeed are going to go down by like, I think I picked Amazon are going to go down like 90%, when this correction comes, and then I started an internet company in September. I think that the great example here is sometimes information cascades are so dominant, that they affect even people like me, who were like, highly skeptical about what was going on, on the internet. And yet, every day, you're bombarded by not only your colleagues, but the news, stories, everything. And it's like this massive bombardment of, you're gonna miss the whole thing here. If you don't start a company that addresses something on the internet, you got to do it, you got to do it. And so I did. And, and the, the other great lesson here, for me, at least, is we can let other people convince us of things if that's the thing, we really think anyway, if you know what I mean. And, and it's kind of like trying to give ourselves and out. I've often said that, you know, even though I knew that this deal was fantastic. I turned it down, because all of my VCs who were on the board, you know, ridiculed me for thinking about doing a deal with a bricks and mortar company, as they used to call companies back then that weren't only internet. But the more I thought about that, the more I'm like, Yeah, that's too much. That's an easy out. For me. I think the real fact is given the way I behave generally, if I had really wanted to take that offer, I would have ignored their advice, and I would have taken that off. So it's on me and and I think that as I reflect upon it, it is simply, I'm no different than any other one person running human OS. And the more I remember that, the more I'm like, of course, right? So I was





just as caught up even though I kind of intellectually thought I wasn't, I was just as caught up in the whole cycle of like all Have these you got to remember 1999 1998 People never became rich that fast in my career. Right? I mean, like, when I went on Wall Street, it was, I was lucky enough to, you know, get there near the 1982 bottom. But that kind of instant wealth? Well, I thought it didn't affect me, it obviously did. And so I think that the experience just taught me so much about, you know, when something looks too good to be true, and but it's a real thing to grab that real thing that looks too good to be true. And, and, you know, we can we can take all of the justifications and everything away. And at the end of the day, I thought, yeah, you know, what this is going to work, we're going to be the first online investment advisory and actually a great business model. But in retrospect, no, we didn't, we chose to go B to C, when you know, back then that internet was still kind of scary. People used to like want to call Amazon to give them their credit card number, because they were afraid to put it on the internet. And, and so should have been b2b, like canvas, which is a net folio that actually works. And tons of mistakes. But in the end, it's like one of the greatest learning opportunities I ever had. It was basically, I'd always thought that I felt you know what the buck stops here. But the more I thought about that particular net folio outcome, I was kind of like, yeah, you know what, I think I need to own that a little bit more. Because when you do that, it's just amazing. The way it reframes the way you look at things. If, if you basically what it got me to do, was to look at everything as if it was going to be my problem. And by that, I mean, I definitely want it to completely be able to divorce myself from pointing a finger at somebody else. I want it to be able to say, Nope, if something gets screwed up your problem, your fault. And when you add that filter, and you truly download it, like miraculous things happen. You if you if you start filtering everything through, like you're not going to be able to blame somebody else, it's going to be your fault, or your credit, right? Oh, so you want to have both sides of that. It's, it's, it's like almost a superpower. Because if you could get into that frame, you you, I found at least in my case, I started making much better decisions based upon, you know, all of the evidence that I had available to me. And I think it was also the final instance of beating out of me any fear of mistake at all, because I'll tell you the net folio one that was like I was





simultaneously attacked by some really big names, or selling our mutual fund company, for a reason that made sense to me. But the narrative was all wrong. Right? So the company, O'Shaughnessy capital that merged with net folio, add no load mutual funds. And the two most popular ones was a small cap growth and a large cap value, while you know, large cap value value and small cap growth. Everything got obliterated by the NASDAQ back then. And so I was selling it because our hook for folio was we were branding personal funds, right? So it was going against mutual funds. And that's why we sold it. But that isn't how the people who came after me saw it. They saw it as Oh, they were underperforming. And therefore Jim sold and negated all of the advice in his book. Well, they weren't underperforming against their relevant benchmarks. But yes, of course, they were getting absolutely destroyed by the NASDAQ and the s&p 500. But it also got me to think about like, put yourself in somebody else's shoes, and how are they going to see this? That's another thing that really is a great skill to have. And that came out of what happened to me with net folio as well. So again, big huge mistake, lots of publicity that was negative to me, and yet, I wouldn't trade it for the world. It was so helpful in the way I leveled up in the way I made decisions and the way I ran my career everything.

**Jake** 25:09

Yeah, I mean, that sounds like a super healthy way to look back at it. And it sounds like you've learned a ton. I think one of the, one of the things that I've actually sort of most admired about you, and I think that, you know, everyone's got sort of their things that they're really good at are grayed out even. But then occasionally find people who are like, you know, top 1%, or point 1%, or point 000 1%, or whatever at a given thing. And you strike me as an outlier in your ability to consider and learn from younger people were like, most people, I think they they acquire, like your experience and, you know, have years of sort of wisdom accumulate, and you start to sort of like narrow down the universe of people that you think you can learn from two people who are either around as old as you or as successful as you have sort of had as much experience as you things like that. And occasionally, you'll find something from a younger person. But in general, I don't think people are as open minded as you are. And you seem to constantly be sort of like discovering and promoting, like, up



and coming people, you know, myself included, basically from from Twitter and, and elsewhere and having people on your podcast, who are like in their 20s starting to build companies or whatever it might be. What do you think it is about sort of your perspective and, and just approach to lifelong learning that has enabled you to sort of treat everyone as equal for lack of a better word and sort of be able to learn from anyone regardless of you know, their experience, or age or, or you know, what credentials they have?

**Jim O'Shaughnessy** 26:46

You know, it's just, for me, it's kind of super easy to be honest. It's like, I'm not I don't really care what sex you are, what color you are, you know, what your various preferences are. I'm very interested in your ideas, and great ideas, like young people, they have faster brains than we old people. I mean, just the the neurological feedback loop is working better in the younger mind. So this idea that, Oh, well, we can't learn anything from them. I think it's just idiotic. You know, if you look at Matt savant, for example, almost all of their best work is done before they're 30 years old. And the same is true for other disciplines as well now, mercifully wasn't true in mind. But this idea that we shouldn't do, or that we should exclude somebody because they're too young, or they're too inexperienced, or they didn't go to the right college, just again, seems like, why would you limit your opportunity set of people to learn from based on these artificial labels that, you know, are there? Basically, because of prestige and status factors more than anything else, I have very little to do with the quality of the idea, right. And so I just always felt that I really don't care, the origin of these great ideas, I want to, I want to interrogate the idea itself. And as far as other, you know, young people, listen, I love young people, they are filled with energy, they're filled with enthusiasm. They're filled with, like, their minds running a mile a minute on things that they're thinking about. I just think that's cool as hell. And like the ability for me who you know, not my first rodeo, but it's great to be able to interact with people. I mean, most of my colleagues and teammates at OSP are considerably younger than I am. And it's just like, well, of course they are their digital natives. They they can do in five seconds what it would take an old like me five hours to try to accomplish. And and so like I just don't see the



problem with embracing that. I guess I'm lucky that other people my age, maybe don't look at it that way. Because that gets you know, I get more of these brilliant youngsters coming over and as far as like the highlighting the under the radar, that's kind of the mission of a lot of my new company on Shaughnessy ventures. You know, we want to find the emerging great companies, a lot of young people there. We want to find the great emerging talents in media and film and book publishing. And, and so, one of the ways that you do that is you're open to paying attention to these young people, but like people who've already box them out, it's they literally don't see them. And, and to me, it's like why would you tie He hands behind your back. That's crazy. It's in addition to like, being crazy, it's also stupid. Like, hello, why would you limit your opportunity set to some arbitrary group of things that you find important? Like, what's the worst that can happen, the worst that can happen is like you see somebody who you think has great potential, and for whatever reason, they, they don't end up doing what you think they're gonna do. But that that happens all over in life everywhere. And so I think that it really gives us a pretty massive advantage, honestly. Because, you know, the, and what's interesting is, it's kind of an Arbonne human behavior, right? Because that don't shoot the messenger comes from Marathon, right, the ancient Greek tale of the king, not liking what the messenger was telling him and killing the messenger. If you can avoid killing the messenger, metaphorically speaking, in your mind, and you can be attracted to the ideas rather than who's saying them. Wow, that's a it's a huge set of really, really innovative forward thinking, that is just I love that I have access to and able to work with these people.

**Jake** 31:28

Yeah, I mean, it sounds like it just comes super easily and naturally to you. And you almost can't imagine doing things any other way. And I think that's probably how a lot of outliers in any given skill, sort of, it's just part of who they are. It's, like, almost unavoidable. And to your point, I think you've done a great job of aligning actually your day to day, which is probably quite different today from what it was, you know, 20 years ago, with this ability. You know, you mentioned O'Shaughnessy ventures, a lot that falls under that hood. There's, you know, infinite adventures, which is more or less sort of venture capital focused or investing in early stage startups, you've



got infinite films, I'm investing in sort of the production of movies, infinite media, which is like podcast and newsletter type stuff. And then you've also got fellowships, and grants. So we'd love to discuss that overall. But in particular, I'm very interested in the fellowships piece, I think, for example, the Thiel fellowship is one of the most interesting experiments ever run where it's like, you know, he targeted I think, 20 people per class, at or below the age of 20, there was a stipulation to drop out of college, and they backed, you know, 20 of these people per year starting in, like, I don't know, the early 20 times, maybe like 2012, or something like that. And sure enough, they, you know, helped discover and develop, you know, if they had a hand in it, like metallic and, you know, the theory I'm and Dylan field and figma. And Laura Deming, who, you know, I really admire in the longevity space, tons of other founders, I think there's 10, plus sort of unicorns that have come out of that at 20 people per year over, you know, less than, I don't know, 1112, something like that years. And so this is like, in my view, I mean, obviously, a lot less volume than like a Y Combinator or something like that. But just outstanding successes. And they did very similar model to what you're doing 100,000 per year, the way that they did it was with nonprofit, we could talk about sort of the details of the way that you guys are doing it and how it fits in with actually going and maybe investing in some of these people and whatnot. But maybe you could just sort of introduce the motivation behind the fellowship arm of O'Shaughnessy ventures and how it's going so far. Sure.

**Jim O'Shaughnessy 33:39**

So the, the benches or the fellowship piece grew out of my idea that, you know, I'm doing a series on infinite loops. It's very infrequent. That's my fault. But I call it the great reshuffle. And part of my thesis there was that, that genius talent, the ability to innovate, probably is normally distributed. And the fact that we're not seeing many people from like certain areas or backgrounds there is or was a problem of access, right? Like if you were an incredible genius in Bangladesh in 1982, the year I got married, there was virtually no way for me to know about you at all. And to make it even less crazy, if it was same year 1982 And you lived in St. Louis and I didn't travel for business again. And you did neither. Very, very few ways for me to even know you are alive. Well, that world is gone. Right? The The



world of today, it's very hard to change your your actual physical zip code. It's really interesting, really easy to change your digital zip code. And, and so now I think we have these tremendous platforms and technologies, which allow, you know, kind of millions of bright lights to be bright. And so I thought, well, let's, let's try that out with this idea of a fellowship. We didn't model it specifically on peels, fellowship, in that we didn't require that you had to give up anything like college, we also didn't have an age limit on it. Because we were like, you know, that I'm sure there are Grandma Moses is out there as well. For those who don't know her, she was a very famous painter who started very late in life, too, be to start painting. And, and that's kind of what we had hoped to achieve. Now, ironically, in the first year, we, my thesis was deeply challenged. Because a lot of the people that ended up getting fellowships were, in fact, already at Ivy League institutions. And we were trying to do it with a, just based on the idea itself, we were trying to keep it blind, in terms of where they were, you know, what their background was, etc. As we're designing it for next year, one of the things that we understood from analyzing our first year was that, again, it was might have been a fact of wasn't socialized in certain areas, for example, in Africa, in India, etc, we noticed that we weren't getting the volume of applications from there that we anticipated we would. And one of my teammates, who's in India, we have a globally distributed workforce was like, Yeah, you know, because if you look at all the popular stuff in India online, like you, ain't it, buddy. And so, the idea for next year is we are purposely doing some partnerships with content type providers in specific areas so that we can heighten the awareness in those areas about the fellowships. The real purpose of it was this idea. There's lots of brilliant people in the world. Let's find some and fund them and see what happens. Honestly, the fellowship is given with a complete no strings attached to it. So and it's not just given to founders, some early people thought we were only doing this is kind of looking for a top of funnel to find interesting thing, if you look at who we actually fund it, you'll see that yes, there are some founders in there. But there are a lot of people who just we thought were doing super interesting things. And it was essentially, to highlight and kind of reframe the world that we live in now. You know, I'm, I think that we have a plague of pessimism today. And it baffles me, because when you look at things through data, as I've kind of trained myself



to do, the data on emergence from poverty, the decline in birth and childhood among emerging countries, clean water, access to a variety of learning tools, I mean, virtually all of it, like it is astounding, what we have been able to do over the last 20 to 30 years, in bringing lots of people out of poverty in making the drinking water better. And so my thought was, you know, this, this needs a rewrite. And one way that I thought that that could be very helpful is actual people, right? I know, Stalin didn't say it. It's apocryphal, but it's a great quote, which is, one death is a tragedy. A million are a statistic, right? And so, what we want to do with the fellowships was chi, human beings to it, where people can say, wow, look at this guy. He's like, one of our fellows that we just featured on social media is from Africa, and he's doing really cool things. And, and the idea though, that I want people to understand Look, do you think it was easy for him to get that fellowship? Do you think it was easy for him? To start the company that he started now, I mean, like we don't, let's not just have a bunch of excuses. let's reframe Let's talk. And specifically to, you know, younger people, they're the future. And I think that people, you know, I hate, hate, hate when people make blanket statements about generations, right? And like, Oh, these Zoomers, are these millennials, you know, blah, blah, blah, blah, blah. It's just so insane because you can't tag an entire generation of people with any one characteristic. And so we wanted to basically call bullshit on that. And say, look, these people are doing amazing things and kind of chip away slowly at this idea that we that is filled, propelling this pessimism. And you know, that's why we're have the infinite films, we want to reframe that to we have infinite books is going to publish science fiction that isn't dystopia. Right, and we've managed to connect with so amazing writers. And so yeah, they, the The fellowships are part of the reason for the entire, and most of it is, hey, the future is going to be great. If we do it, right. Let's try to do it. Right.

**Jake** 41:32

Yeah, I love the shift to optimism. And I think you're taking a fascinating approach and one that I think, you know, these things always take some time, but could prove quite effective. And going media first with, you know, not just podcasts and newsletters, but also films, and also highlighting these, you know, the personal



stories of these fellows, like you said, and I mean, a big part of why I do the podcast is to take these people who are either, you know, on the rise on their way, or have already sort of had great success in some way. And to show that, like, we started off in the podcast, it's not easy, you get tons of nose, and you have tons of failures, you make tons of mistakes, but you know, sort of it's worth going for. And I think, you know, a pessimist can always find reasons to be pessimistic, and an optimist can always find reasons to be optimistic, and the latter just seems like a better way for the world to be so hopeful that what you're doing contributes to some shift there. And, you know, in addition to obviously, the fellowship and, and the films and the other media, you're doing more sort of normal venture capital investing, you'd like to lead rounds usually precede and seed I think, million dollar plus checks. Maybe you could speak to your sort of like thesis and and what you're looking for there, I'm sure there's tons of overlap with what we've just talked about, but in terms of, you know, practical, like sectors that you're looking at. And in particular, I'd love to talk about sort of one of the notable investments, stability AI, where you're actually chairman of the board, I've heard you talk about how, you know, AI two appears to be the third technological revolution. So maybe you can sort of tell the story of like, how that investment came to be and what's going on there. Obviously, that's one of the major players in the space right now. And sort of going head to head with, with open AI in lots of ways. It's sort of like the open source versus closed. And, you know, despite the name of the of open AI, and you know, how that's sort of playing out and just sort of your perspective from from the chairman suit?

**Jim O'Shaughnessy** 43:36

Sure. So our investments are very much aligned with what we've been talking about with our other verticals. What we're looking for are super smart people taking advantage of what I believe is unfolding as a golden age, in terms of not only technology, but various platforms emerging. And, and all of this happening at the same time, where it's my thesis that many of the old playbooks are collapsing. And this is kind of this space in between, I think, and we want to take maximum advantage of that. And so stability AI is a great example. I do believe that it is probably the most profoundly powerful technology that's ever been invented, period. You know, you could argue about





publishing and fire and all that kind of stuff. But I think, you know, this is this gives us or will give us kind of superpowers, when you look at what you can accomplish with it. Now, there's lots of misinformation. And there's lots of fear about AI, which I understand. And, you know, again, as a species, we tend to be kind of afraid of not other things, we perceive them as novel dangers. And, and so, as I got interested in machine learning, that's how long I've been interested in it, prior to name change, it occurred to me that it was going to be huge. So I kept my eye on the space for quite some time. And, and the reason for stability, AI was pretty straightforward and basic. I, there's lots of great companies out there. And it's not my way to try to bang on any of the competition. So I'd like to focus just on why I found stability, so appealing. And the basic reason for that is, it's open source. And I believe that a technology that is this powerful, asked to be available to everybody. I have five grandchildren, I do not want them to grow up in a future where a pan Opticon controlled by a very few people, as the ability to dole out this powerful technology to those that it sees fit. And with the type of ability to use it in a way they see fit. There's, there's a great quote that says, you know, no matter how brilliant somebody is, no matter how smart no matter how imaginative, you can never ask them to create a list of things that would never occur to them. And I think that that's kind of a great quote for this writ large. In addition to not wanting a pan Opticon controlled by a few, open source is just better. Why? Because it takes advantage of cognitive diversity. There's a lot of people with a lot of different skill sets out there working on the problem. And that is, in my opinion, one of our greatest advantages here in the United States and in other free democracies. The idea that, you know, totalitarian or authoritarian countries are not going to be doing everything they can to have AI is foolish. Listen, the black hats are going to be as diligent, if not more diligent than the white hats. And my theory is quite simple. It's that when you have cognitive diversity, and you don't have forbidden topics, like many authoritarian and totalitarian governments have, you're going to win. And the great example, there is Linux, Linux powers, the web, much to the chagrin of Steve Ballmer, over at Microsoft, he really didn't want that to happen. There's quotes about him saying, you know, Linux is, is communism and all these things. So I just believe very much, that here's an opportunity to invest in



something that really is emblematic of the way I look at this particular unfolding of AI. It's gotta be open, it's got to be available to all it's got to be available in all languages, I believe. And I don't want single monopolies or dualistic monopolies controlled by the government or by big companies, I, you know, we don't have to put a tinfoil hat on here, a concentration of power is just not great. And so that was the reason for my enthusiasm around stability AI. But other investments that we're doing are as disparate as a tugboat in space company. It's called as Tomas. And the idea is wonderful, and yet really difficult to make happen. And that is we have so many satellites, and they need to be moved, and it's really expensive to move them. And Atomos is attempting to solve that problem we're doing, we made a big investment in synthesis schools, which was the outgrowth of the old Ad Astra school that Musk set up for his employees with kids. It takes a radically different approach to learning and empowering children. And I think that it works beautifully, and that it's kind of kind of be one of the futures at least of education. So everything that we're investing in, is essentially a bet on something really positive working out. Now. They're not all tech. Right. We are looking at a couple of investments right now that I actually can't talk about, because we haven't made any offers or had any received, but that our basic basic industry type stuff just reimaged and rethought. And so we just think that right now, with all of the various new platforms, technologies and ideas coming online, what a, what a great time to be able to have some input, specifically at the seed level. It's not that we don't do round days around bees, we will. But we feel better at the seed level. And that's also something that we've been doing a lot of we've been doing private investing since 2006. So we did have a long training period, in because it's very different than public market investing, as you well know. But you can bring a lot of what you learned as a plot over here, just to kind of a different way.

**Jake** 50:59

Yeah, well, I'm very excited to see sort of, you know, beyond stability, AI O'Shaughnessy ventures overall, what these investments turn out to do in the years to come, I want to close with one final question, appreciate you taking the time. And I know we're coming up on the end of the hour. But, you know, I'm pretty young. And,



obviously, my, my career, and my work is very important to me. And I think it is for a lot of people, but it's not everything. And there's, you know, there's family, and there's fun, and there's other things, there's health, and other things in life. What's interesting about your story is you started your family quite young, sort of very early, well, before you had any real success, and you know, career wise, or anything like that. And sometimes you don't see that sometimes you see, people sort of get a good head start, and then they sort of start their family. So I'm curious how did you know starting a family and having kids, so young impact your, you know, ability to have this tremendous career? You know, there's on the one hand, you could sort of imagine, like, okay, you know, being a father, you know, you don't want to be president and stuff like that. And it's gonna take some time out of your schedule, just logistically. But also, you could sort of imagine like, hey, you know, having kids, it gives you like, tremendous sense of, of purpose, and fulfillment and a drive to do these things. And maybe there's tons of other factors that I can't sort of imagine, because I haven't been in that position yet. So I'd be very curious sort of your reflection on that, and how it sort of changed your trajectory from an early point in life.

**Jim O'Shaughnessy** 52:26

So, but you when, when I got married, I was 22. And the funny thing was, I had sworn to myself that I wasn't going to get married until I was 30. And when you actually meet and fall in love with your soulmate, that changes everything. And that's what happened with me, we've been married nearly 41 years, and I've just was incredibly lucky to have her in my life. But after we got married at 22, we were kind of talking about it, when we said, Well, we were crazy enough to get married, when we're 22, we should probably have children young. And the idea was that like, that's, I'm a big fan of evolutionary biology and psychology. And, and, you know, the, the data is very, very clear, you're better off if you're younger, having and starting a family. And so we just were like, Let's do it. And I mean, best decision in in our lives, I think, because I used to joke that we had our son, Patrick, who's our firstborn in 1985, when I was 24, only because I wanted to have a son or a daughter who liked the same music as me. But but it was, it was just a wonderful thing for us. Because, you know, we didn't know any better. And like, we tried very hard to always make



time for family time. Not as easy as it sounds, especially if you're working super hard. So, for example, my wife was really instrumental and saying, you know, what, for two weeks, every year, I want to bring the kids to Nantucket. And I was, you know, smack dab in the middle of doing a lot of the research for what works on Wall Street. And what did we do? Well, we loaded up the back of the Ford Explorer with a bunch of computers, you're too young to remember, but computers were massive back in those days. And like literally, the joke was that after all, my computer's got in there. There was very little room for anything but swimsuits and wetsuits, but the point was, Okay, I agree. Let's commit let's take the kids to Nantucket. Every every year, but I got to do this research. So do you mind if I bring all of these computers with me? I was like, No, I don't mind at all. And so literally, I would run in from the beach to the house. kick off a whole new series of back tests for the Got what works on Wall Street and then go back out and do the body surfing and everything with the kids. So it it is, it is doable, you just have to be creative about the way you approach it. It's like the I did a lot of work at night as well. For example, I'm kind of a night owl. And so the kids were in bed very early, if you've got little kids, you know, they go to bed very early. And, you know, I gave me like, four uninterrupted hours of research, of study of all of that type of thing. And I just love doing it and loved having children at a young age. And, you know, for people who haven't experienced it yet, what's great about it is no matter what age you have kids at, hopefully, you will find something similar to my experiences, you know, they grow up and become your best friends. And and that's certainly the case in our family. And I'm very incredibly lucky to have them all in my life.

**Jake** 56:07

Right, well, I appreciate that perspective. And not just on on family and work, but on everything that we've talked about today. It's been a phenomenal conversation. And, you know, I was really looking forward to it, but it exceeded all my expectations. So I really appreciate you taking the time. Where can people go? Where's the best place for people to follow along with you and everything you're working on from here forward? It's

**Jim O'Shaughnessy** 56:28



super easy to follow me on Twitter. I'm JP O'Shaughnessy over there. If you want to check out our website and see what we're doing at O'Shaughnessy ventures. That would be Oh, s v Oscar Sam Victor dot L L C. Larry, Larry Charlie. And that goes through everything that O'Shaughnessy Ventures is doing. And then I have the podcast infinite loops, infinite loops.com. You'll find all the episodes there. And of course, we're also distributed on every major podcast platform.

**Jake** 57:08

Perfect. Well, thank you very much again, Jim. I really appreciate the time.

**Jim O'Shaughnessy** 57:11

All right, Jake. This has been a blast. Thanks so much for having me on.