

Cloning is key to investor's success

By Ivey Communications

If you want to follow in the footsteps of the great value investors, such as Warren Buffett, it can pay to copy their ideas.

That was the message from [Mohnish Pabrai](#), Managing Partner, Pabrai Investment Funds, during a presentation to George Athanassakos' value investing students on February 15.

"When I see someone doing something smart, I will do it. I will adapt," he said. "There are so many great ideas out there and you can clone them. Some of the best business people are good at cloning."

In fact, Pabrai said he copied Buffett's original partnerships when setting up Pabrai Investment Funds in 1999 and doing so gave him a tremendous advantage.

"The power of cloning significantly increased my wealth," he said. "Even if you don't know much about investing, you can buy what the great investors have bought and you should do well."

In addition to taking the ideas of good investors, studying them, discarding the ones he doesn't understand, and incorporating the ones he does understand, Pabrai said he keeps a checklist of his own and other investors' mistakes so he can learn from them. For instance, he said he never used to speak with anyone about his investments, but has since learned that discussing them with other investors gives him a broader perspective.

Pabrai stressed the number one skill an investor needs is patience.

"You need to buy stocks below intrinsic value and then wait until they are fully priced. That can take time," he said.

He added that another key to success is to be continually learning.

"If you could have any car you want but only one car for the rest of your life, you'll take care of it. You only have one mind and body so you want to take care of them," he said. "You need to be a continuous learning machine and that will improve your value."