



THE GREATEST GAMES

Golf as a Metaphor for Investing...and Life

Throughout the years, I've learned that everybody in this business is a collector of something. For some men it might be stamps or movie posters or fly fishing nymphs or dries. For others with more expensive chips to play with, it could be classic cars, Audubons, club memberships, or ex-wives. When we were first married, my wife was relieved to see that I gave up, with some hesitation, my beer can collection from college. I had to pick something else and I wound up choosing, for whatever reason, essayists, especially ones that wrote about sports and war. H.L. Mencken, A.J. Liebling, Grantland Rice, Ernie Pyle, Oriana Fallaci, Damon Runyon, and Hunter Thompson are among my favorites. Byron Wien and Barton Biggs, as well as Beppe Severgnini and Luigi Barzini, must be considered among the best when it comes to writing about my other great loves, the game of Wall Street and the endlessly fascinating peninsula of Italy, respectively. Due to perhaps some inherent masochistic tendency, I also decided to take up golf. Here, the reader of great essays is drawn to the dean of all golfing writers, Herbert Warren Wind. Picking up a collection of his work the other night, I read one paragraph from his classic "The Lure of Golf" that led me to believe that my interest in the sport and Wall Street revealed some unifying character flaw. He writes: "There are a few contemplative golfers who have attempted to analyze why the golf virus hits a man so hard. The game's singular fascination, in their consensus, rests on the fact that while you play against par, against your opponent, against the topography, and against the elements, in golf, as in no other sport, *your principal opponent is yourself.*" What two sentences could also be so perfectly adapted to the great game of Wall Street?

With the British Open in full swing (I can't bear to dignify the new pretension of merely calling it "The Open" with any seriousness), I thought it might be interesting to draw some comparisons between my vocation and my avocation. For those of you who don't play the game, I apologize in advance for this essay because I know that golf, like being surrounded by a bunch of Georgetown graduates, can be enormously amusing to the participants, but stupefyingly boring for everyone else. But if you love the game as much as I do, you might agree that golf and investing are quite similar for the following reasons:

1) It's hard to have everything going for you at the same time.

It would be a cliché if it weren't so true, but the eternal mystery of golf is that, like investing, it's hard to have all parts of your game going well at the same time. Only occasionally will you be equally as proficient off the tee and on the green. This is no different than the Herculean task of capturing the market's fundamental, technical, and psychological rhythms simultaneously. More often than not, success comes not from perfection, but from a series of small successes that allows you to grind out solid performance.

2) Each investment decision and golf shot is independent of the next and performance can be fleeting.

This is the main reason why one of my friends insists that "there are no gimmes, and no tears" in a real game of golf. "If it's a gimme," he says, "knock it in." You may have just knocked a 7-iron to three feet, but in a real game, you've got to make the putt. In the markets, we all know that it doesn't matter if you once *had* a profit in a stock. It's where you sold it that counts. All golfers have known the pain of having one bad hole ruin an otherwise good round. It's not all that different among professional investing these days, where outperformance has increasingly become a function not of picking the right stocks, but of avoiding the bad ones. In either case, execution is everything.

3) Both games are humbling and can seem like they're unfair.

I've lost more matches than I care to remember to guys that had a loopy swing, bad address, and a bad grip. Since I merely have a bad grip and a bad swing, I have often found this unfair. More often than not, these guys grooved their bad habits and developed a way to win, often pocketing a car payment in the process. My buddy and I got smoked in a member/guest a few years ago by a guy who looked like Craig Stadler's unhealthy brother. In investing, the real pros know that there is no difference between being smart and making money. It doesn't matter where you went to school or how nuanced your thesis may have been, performance ultimately equals smarts in the investment business. Because no style points are awarded in either activity, investing and golf may both be the fairest games of all.

4) Ultimately, the highs and the lows keep you coming back.

My friends who don't play golf or don't work on Wall Street sometimes ask me why I would torture myself with preoccupations that can never be mastered. But to me, this is precisely why there is a certain romance involved in both activities. The fact that both games are difficult is the reason so many of us are attracted to them and success can be so sweet. Ultimately, neither game may be that healthful for your psyche, but as we all know, there are worse vices.

Jason DeSena Trennert