



INSIGHTS FROM THE MOVIE, "THE BIG SHORT"

What does it take to outperform the financial markets?

#1 Find inefficiencies in the market, value that is being overlooked, or overestimated.

#2 Do your homework and make certain there isn't something you don't know that creates the appearance of inefficiency.

#3 Have sufficient knowledge in your decision that you can reality check your investment and stay with your call if it doesn't perform on schedule or as expected but still makes sense.



Mix in a little healthy skepticism with regards to the wisdom of the financial behemoths and you could end up on the right side of the trade. All of which adds up to a good reason to rent, stream or buy the movie "The Big Short," released in December of 2015. The movie chronicles a small group of investors who collectively made billions off of the housing collapse in 2008. To explain complex financial transactions, the viewer encounters a model in a bubble bath, a chef, an alligator in the swimming pool and other incongruent explanations that work amazingly well.

There's no sex, no car chases, no emotional entanglements, no violence, but it is absolutely fascinating if you are interested in the financial markets or in the least bit curious as to what all went wrong to cause the housing collapse and the bear market of 2008.