



# CHANGING THE WORLD ONE MISTAKE AT A TIME: THE WORK OF THE LIBRARY OF MISTAKES

Professor Russell Napier, Chairman, Mid Wynd International Investment Trust

Webinar

Thursday, 10 June 2021, 16:00 BST

# A Word From Today's Chairman



**Professor Michael Mainelli**

Executive Chairman

Z/Yen Group



# FS Club

## Platinum Sponsors



THE GOVERNMENT OF MOSCOW  
The Department for External Economic and International Relations of Moscow

## Gold Sponsors



## Silver Sponsors



THE TECHNIMUM GLOBAL SERVICE WITH INTEGRITY



## Bronze Sponsors



## Personal Sponsors



# Today's Agenda



- 16:00 – 16:05 Chairman's Introduction
- 16:05 – 16:25 Keynote Presentation – Professor Russell Napier
- 16:25 – 16:45 Question & Answer

# Today's Speaker



**Professor Russell Napier**

Chairman

Mid Wynd International Investment Trust



# **The Library of Mistakes**

'Rage, rage against the'.. decimal point

# The Unsolvable Problem?

*'Progress is cumulative in science and engineering but cyclical in finance.'*

*James Grant (Minding Mr. Market)*

# Library of Mistakes: Where it is & What it is

- Public library in Edinburgh, Pune and Lausanne
- Collection primarily business and financial history
- Evening public lectures on financial history in partnership with financial institutions & the EICC
- Website with shorter video lectures on financial history



# Other Charitable Ventures & Ownership

- Scottish Registered Charity- The Didasko Education Co.
  - Practical History of Financial Markets course since 2004 at Edinburgh Business School
  - Future Assets (sister charity) encouraging high school girls to consider careers in finance
- Mundum mutatu errore singillatim  
(Changing The World One Mistake At A Time)

# Financial History: Beyond The Decimal Point

- Human Decision Making Under Uncertainty - The Study of Mass Psychology
- The Equation Is A Distillation But There Is Value In the 'Spent Grain'- sociology, psychology, politics, philosophy.....
- Learning To Ask The Right Questions
- Studying Uncertainty and Not Risk
- Preparing For 'Contact With The Enemy'

# Decision Making Under Uncertainty: What History Adds To Psychology

*Daniel Kahneman's 'Noble' Citation*

*“for having integrated insights from psychological research into economic science, especially concerning human judgment and decision-making under uncertainty”*

Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel, 2002,

The History of Financial Markets Is The History of Mass Psychology

# The Antidote To Data Mining

*'Not everything that can be counted counts , not everything that counts can be counted.'*

*William Bruce Cameron (A Casual Introduction To Sociological Thinking)*

*'Torture the data long enough and it will confess'*

*Ronald Coase*

# The value of the 'spent grain'

- Politics- the government is rarely the referee in the game of supply and demand and things change
- Sociology- there are always shifts in what money can't buy and what markets are not allowed to price
- Psychology- not just of the individual but the 'reflexivity' of the group
- Philosophy- what is value?
- Financial History is the study of the whole not the distillate

# Studying Uncertainty- Not Risk

*“Uncertainty must be taken in a sense radically distinct from the familiar notion of Risk, from which it has never been properly separated.... The essential fact is that ‘risk’ means in some cases a quantity susceptible of measurement, while at other times it is something distinctly not of this character; and there are far-reaching and crucial differences in the bearings of the phenomena depending on which of the two is really present and operating.”*

*Frank Knight: Risk, Uncertainty And Profit*

# Preparing For The Worst- And The Best

“No plan of operations extends with certainty beyond the first encounter with the enemy’s main strength.”

*Carle von Clausewitz*

*‘Everyone has a plan until they get punched in the mouth.’*

*Mike Tyson*



# Never Trust A Forecast With A Decimal Point, Particularly Your Own

*"It is better to be vaguely right than  
exactly wrong"*

*Carveth Read: Logic: Deductive and  
Inductive (1920)*

# Changing The World One Mistake At A Time

*Library of Mistakes Website-*  
[www.libraryofmistakes.com](http://www.libraryofmistakes.com)

*Practical History of Financial Markets-*  
[www.didaskoeducation.org](http://www.didaskoeducation.org)

*Russell Napier (Keeper of the Library of Mistakes)-*  
[keeper@libraryofmistakes.com](mailto:keeper@libraryofmistakes.com)





# FS Club

Platinum Sponsors



THE GOVERNMENT OF MOSCOW  
The Department for External Economic and International Relations of Moscow

Gold Sponsors



Silver Sponsors



THE TECHNIMUM GLOBAL SERVICE WITH INTEGRITY



expert.ai



Bronze Sponsors



Personal Sponsors



GIBRALTAR STOCK EXCHANGE

# Thank You For Listening



## Forthcoming Events

- Mon, 14 Jun (15:00-15:45) Post-Pandemic: The Importance Of Corporate Reorganisation, Turnaround & Insolvency In The Economic Recovery
- Tue, 15 Jun (15:30-16:15) The Usefulness Of Useful Knowledge
- Fri, 18 Jun (11:00-11:45) Co-operation Between European & Chinese Capital Markets: Current Status, Prospects & Challenges
- Mon, 21 Jun (11:00-11:45) Insuring The Ethereal: Closing The Gap Between Tangible & Intangible Asset Risk Transfer

Visit <https://fsclub.zyen.com/events/forthcoming-events/>