Interview with Kanwal Sarai

November 21, 2012 By Matt Alden 2 Comments

Kanwal Sarai has been an investor since 1988, and is the founder of Simply Investing, a site that offers a premium investment course, a forum for value investors, and an investing blog.

I took the time to interview Kanwal and review the premium course he teaches on his site.

1) What is your investing background, and how did you first get into value investing?

I have been an investor since 1988, first starting with term deposits (GICS), mutual funds, ETFs, and then individual stocks. Over the years I became more and more dissatisfied with the performance of my mutual funds and with the advice of a number of advisors and financial planners.

After 10 years of own mutual funds (at around 1998), I decided that in order for me to become a successful investor I had to pick role models and learn from them, learn from their mistakes and successes. Why reinvent the wheel, when I could study the practices of successful investors and just apply their proven methods. I had to find role models who did not win the lottery, inherit money, or had rich parents. They had to be role models who became successful (and remained successful over the long-term) based entirely on their own skills. I picked the following role models:

Warren Buffett
Benjamin Graham
Stephen Jarislowsky
and others like Geraldine Weiss, Peter Lynch, David Dodd, John Templeton, and Tom Connolly

I realized a common theme with all my role models, they all advocated value investing, and they all advocated investing on your own. So I spent the next few years teaching myself about value investing, interviewing other value investors, and perfecting my own investment strategy.
Once I proved to myself that value investing did work, I began teaching others and showing them the benefits of investing by themselves for themselves. My passion for value investing allowed me to teach locally in Ottawa and Montreal, I then put my investing course on-line in order to reach a wider audience and help many more people in the process. Today the on-line course has sold in over 9 countries and reaches people as far away as Australia. My goal is to empower and educate people all over the world to become better investors.

2) It seems to be a common talking point today that dividend stocks are overvalued. What are your thoughts on this, and are there any sectors that you believe are noticeably overvalued or undervalued?

I know the media is suggesting that dividend stocks are overvalued right now, generally speaking that might be true but regardless of where the market is right now (bull or bear), there will always be certain companies that are undervalued. I focus on buying quality undervalued companies. Regardless of what market we are in there will always be quality undervalued companies to choose from.

I always look for specific companies that are undervalued and quality companies, again a certain sector might be overvalued but you may still be able to find some companies in that market that are undervalued. In the next question I name specific companies that I feel are undervalued right now.

3) If you were to name three or four stocks that you believe are decent values currently, what would they be?

Chevron (CVX)
United Technologies (UTX)
General Dynamics (GD)
ConocoPhillips (COP)

4) What led you to create a course on value investing, and how would you best describe it?

I created my value investing course to change the world, one person at a time. When you have financial independence a lot of problems including stress around money go away. Financial independence gives you time to enjoy the things in life that really matter, time with family and friends, and the resources to pursue self-development and leisure activities.

I wanted to empower people take charge of their investments, after all no one cares more about your money than you do.

The Simply Investing course is an online video course to teaches people how to invest successfully.

I teach the principles of value investing with a focus on dividends. The same techniques used by successful investors like Warren Buffett, Benjamin Graham, David Dodd, and John Templeton.

In the course I teach in plain English:

thoroughly analyze a dividend stock, and get the same exact spreadsheet tool that I use to determine the fair price to pay for any stock: The Dividend Toolkit
- the basics (what is a stock, stock market, and dividends)
- how to find great stocks (quality and undervalued companies), and avoid the bad ones
- how to consistently make a positive stream of income year after year, regardless of which way the stock market goes
- when to buy and when to sell

The course is divided into five modules, and takes about 27 hours to complete. But people can take their time and repeat any of the modules as often as they like. I provide clients with lifetime access to the online course, also included is the Simply Investing workbook.

Course Review

I watched Kanwal’s five videos and read the work book in order to provide a third-party view of his material for people that may be interested. For full disclosure, I have no financial stake in Simply Investing and received no compensation for this review except for a free version of the course itself so that I could review it.

He offers a few different price levels, and I went through the basic version. The other versions provide access to the private forum and a consultation with Kanwal. The private forum option comes with a monthly updated list of undervalued stocks.

- The first video is a solid introduction.

- The second video is the longest one, and covers Kanwal’s 12 Rules of Investing. These are specific and actionable rules to follow when investing with his method, and they’re based on tried and true value investing principles.

- The third and fourth video split into the different ways you can go about this. The third video discusses how to invest on your own, while the fourth video provides free or low cost resources that can help you pick stocks.

- The fifth and final video wraps the series up with details of portfolio management.

The course comes with a workbook that puts the key points of the course into a concise written format.

As far as production quality goes, let me put it this way: not too long ago I took an online engineering course at a university to stay up to date on a topic related to my work, and it cost around 10x what Kanwal’s course costs. The college course was around 8x longer, since it’s a full college course and all, but the overall production value of his videos vs. the university videos were approximately the same. Kanwal’s voice and teaching flow were better than the professor of the engineering course. Since Kanwal’s course has equal or better production value, and the cost per hour is a bit lower, the overall price/value ratio goes in Kanwal’s favor. So in short, it’s essentially a more concise (and less expensive) version of a college course in terms of quality, which is pretty impressive considering the resources that a university has to work with.

In addition, Kanwal’s course comes with a 60 day money back guarantee so there’s
no risk, whereas the engineering course I took had no refund option.

Online teaching is a pretty big area for the future. Information technology allows people with expertise in a subject to put it into a packaged format that helps it scale and keep the cost down, and you can tell the legitimate offerings by their return policy, since all the risk is on them.

Probably the best way to see about the course is to watch the first video. Kanwal has the introductory first video online so that people can know exactly what type of format and quality they’re getting when they take the course.

Check out Simply Investing for his course and his blog.

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**Comments**

Tzvika says:  
November 22, 2012 at 6:00 am

Interesting interview. I like his answer to the dividend stock overvalued
question – there are always interesting ideas out there in any market.

My Own Advisor says:
November 22, 2012 at 10:53 am
Great interview! I’ve met Kanwal a few times here in Ottawa, a good guy and a bright guy.

"When you have financial independence a lot of problems including stress around money go away. Financial independence gives you time to enjoy the things in life that really matter, time with family and friends, and the resources to pursue self-development and leisure activities."

Well said...and I’m on the same journey myself...one investment at a time in stocks that pay dividends and have done so for decades.

Mark

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