(This copy is an AI-assisted translation of the original transcript in Chinese)

E06 Business Analysis: Apple

March 20, 2025

Perhaps the longest analysis of Apple as an investment on the entire internet.

Although much of this is picking up wisdom from others, the purpose of this episode is to help those interested in understanding business and investing to concretely experience the practice of analysis and decision-making.

It also serves as a post-mortem of my own investment in Apple.

In memory of Steve: it was you who showed me the brilliance of human nature and helped me understand that the ultimate truth is simple; it is the Apple you built that has filled me with longing for the past sixteen years, driving my pursuit of true knowledge and taste.

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Introduction: Returning to the Five Principles of Value Investing

Hello everyone, long time no see, and welcome back to *Slow is fast*. In the past few episodes, we mainly discussed the theoretical framework of value investing and then used Moutai as a real-world example to explore "what makes a good company." Today, I want to dive deeper into how exactly to analyze a company in practice. Therefore, we'll talk about Apple, a company that I believe ordinary people can easily understand. Before discussing Apple, I want to briefly recap the theoretical framework of value investing, as it will serve as the foundational framework for our analysis today.

We discussed that value investing has five important principles:

First, buying a stock means buying a company. This directly determines whether you are investing or speculating. There is no difference in the investment decision between buying one share of stock and buying the entire company outright. Buying a stock is absolutely not about chasing hot trends or buying into a sector.

Second, Mr. Market. We must understand that the market is there to serve us, not to dictate our investments. We cannot be led astray by short-term price fluctuations.

Third, a core concept of value investing is the circle of competence. Everyone has their own circle of competence and companies they can understand. Resolutely avoid investing in companies you do not understand.

Fourth, any investment requires a good price. The key here is that an investment must have a margin of safety—trying to buy something worth a dollar for fifty or even thirty cents.

Fifth, fish where the fish are. Avoid hyper-competitive, highly efficient market ecosystems, and find your own non-consensus opportunities.

We previously discussed the three criteria for selecting a good company: a good business model, a good team and culture, and a good price. Only when these "three goods" are met can we call it a good investment opportunity.

My Story with Apple: An Investment Regret of a Veteran Fanboy

Stepping into the topic of Apple, I'd like to first share my personal story with the company and how I missed out on investing in it earlier. From a consumer's perspective, I was a fanatical Apple enthusiast in my younger years—a typical "Apple fanboy." In 2009 (seventeen years ago), when I just started my internship and received my first paycheck, I bought my first Apple product: a MacBook Pro Unibody. That was the first time Apple introduced the aluminum unibody laptop. Actually, in China in 2009, very few people used Apple laptops; throughout my college years, I used Lenovo or Sony Windows laptops.

At that time in China, everyone was used to Windows and said Apple's operating system was too hard to use. But I remember in college, even though I used a Windows desktop, I was obsessed with tinkering with various beautiful Windows themes, trying to make the interface prettier. My favorite theme at the time was an Aqua interface that completely mimicked Apple's Macintosh system. It was only after I started interning and making my own money that I truly bought my first Apple laptop. I bought it with immense excitement, only to realize upon bringing it home that it had a Danish keyboard, which was very different to use.

Also in 2009, I bought my first iPhone—the iPhone 3GS. I poured all my enthusiasm into playing with that phone; I was absolutely thrilled, and the experience brought me a massive shock. For anyone who had previously only used traditional feature phones, the sense of leaping into the future when experiencing a cross-era smartphone like the iPhone for the first time is imaginable. Over the past dozen years, I gradually acquired almost every category of Apple products: from the iPhone, MacBook, and Apple TV to the HomePod and AirPods, not to mention the recently launched Vision Pro and Apple's expensive professional displays. You could say I am an extremely fanatical Apple fanboy.

I have also watched almost every Apple launch event. Apple's events are jokingly called the "Spring Festival Gala of the tech world" within the digital community, and it felt exactly like that to me. Watching every event was incredibly exciting, no different from watching the Spring Festival Gala. For the past decade or so, I have madly loved Apple products as a consumer. I also remember back in our day, there was a blog called Apple4us, which you can probably still find online today. It was an early blog spontaneously created by a group of elite Apple fanatics to track and deconstruct Apple. Many of the founding editors and authors of that blog are now active at the top tiers of China's internet and IT circles: such as Zhang Liang, Zhihu founder Zhou Yuan, the now-famous tech influencer Flypig, VC podcaster Real, and of course, Li Ruyi, one of the pioneers of Chinese podcasting and the host of *IT Gonglun*. That group of people madly loved Apple products and madly tracked and analyzed every step Apple took. In that blog era, I eagerly devoured their writing to understand the company. So all along, as a consumer, I have been extremely obsessed with its products, even hoarding a dense collection of Apple product packaging boxes.

However, from an investor's perspective, it wasn't until the end of 2022 that I truly bought Apple stock for the first time. And at that time, I went all-in, pouring almost all the spare cash I could mobilize into Apple stock. My expectations back then were actually quite restrained; I merely hoped to gain an annualized return of about 10% to 15% from this investment. Later, in September 2024, I sold all my Apple shares. The total holding period was less than two years, and the final overall profit was around 70%. This is the true history of my holding Apple stock as an investor; later, I will detail why I bought it then and why I eventually sold it.

But looking back now from a God's-eye rearview mirror perspective, I largely missed out on Apple. I had been madly loving and using their products since 17 years ago. From a product and consumer standpoint, I understood Apple better than the vast majority of people. But as I mentioned before, because I used to work in investment banking with a high salary, I threw myself entirely into work and never considered personal asset allocation and investing. I used to think the stock market was too unpredictable and that it was better to stay away from such risks. Back then, I hadn't systematically studied or been exposed to value investing. I knew of Buffett, but I didn't know Duan Yongping yet, and I completely lacked an understanding of the basic principles of value investing. Later, when I had savings, I bought real estate, so I didn't have much spare cash on hand. If there were a parallel universe where I firmly bought Apple stock early in 2009 or 2010 and held onto it tightly, what an astonishing result that would be? Of course, these are all regrets seen in hindsight.

In the real investment world, these "what ifs" don't actually matter, but this is indeed a regret in my investment career—I clearly had a massive opportunity to understand a great company early on, but I let it slip by. So I currently do not hold any Apple stock, and my following business analysis of Apple absolutely does not constitute any investment advice. I personally will not publicly discuss any stocks I currently hold in the future. There are no ticker symbols or wealth codes here; if you're looking for get-rich-quick secrets, please look elsewhere.

Deconstructing Apple's Business Model: Making the Best Products for Target Customers

Alright, let's officially dive into the analysis of Apple's business itself. Is Apple a good company? We've said that from an investment standpoint, a good company must simultaneously possess a good business model, a good team and culture, and a good price.

First, is Apple's business model good? We must pierce through the surface to see clearly what Apple's business model actually is. Out of curiosity, I asked the currently popular AI tool DeepSeek earlier. DeepSeek replied: "Apple's business model is a typical vertical integration plus ecosystem-driven model. Its core lies in building full-lifecycle user value through the deep fusion of software and hardware, the continuous expansion of a closed ecosystem, and high value-added services. This model brings extremely high business efficiency but also faces controversies and challenges."

When I saw this answer, my feeling was that it sounds correct and profound, giving off a very high-end commercial flywheel vibe—it's a very typical investment banking or management consulting PPT style. But after reading it, I still couldn't clearly and simply understand what Apple's business model actually is. We've said that a business model is how a company makes money—its most fundamental way of generating revenue. So we must return to simplicity and common sense. My personal, minimalist summary of Apple's business model is: making the best products for its target customers (this includes consumer electronics hardware products, as well as the accompanying software and services).

The most core keyword here, I believe, is "Apple's target customers." When looking at any company, we first need to understand its target demographic. Some might argue: "Isn't Apple's target demographic everyone? It sells phones, and isn't the iPhone sold to all of humanity? So Apple's target customer is everyone." I think this understanding is completely wrong. No great company starts designing a product with the vague thought of "I want to design a phone for all of humanity." If you try to please everyone, you cannot make sharp trade-offs in product features, and the end result will inevitably be an extremely mediocre device. Apple has a very clear and pure target demographic. If you closely watch Apple's ads and every launch event over the decades, you can faintly sense exactly who they are talking to.

Apple's foundational definition of its target demographic, I believe, is deeply rooted in the classic summary Steve Jobs gave after his return to Apple in 1997. Back then, Jobs had just returned after being fired by the board years prior, and Apple was in a severe decline, teetering just months away from bankruptcy. Upon his return, against all odds, Jobs launched the incredibly famous "Think Different" ad campaign. In a classic interview, Jobs once said this:

"Apple at the core is that we believe that people with passion can change the world for the better. And that those people who are crazy enough to think they can change the world, are the ones that actually do."

In other words, Apple's core value is the belief that people with passion and creativity can change the world and make it better. And those who are crazy enough to think they can change the world are the ones who actually do. This is Apple's core target demographic—it always anchors on those highly creative people who desire to use powerful tools to change the world and make it better. And Apple's mission is to provide the most powerful tools for these creators.

If you look at Apple's current ads, even though the iPhone has become a phone for the masses, Apple's lens always focuses on people who are creating—independent film directors, music artists, indie code developers; it is always speaking to this group. Of course, today's Apple has successfully "expanded the circle," becoming deeply loved by the broadest masses. Why did this happen? Because deep down, every ordinary person actually has the urge to create, the desire to change their own micro-world, and their own passion. Thus, ordinary consumers are deeply moved by the creators around them or the spirit and core values conveyed in Apple's ads.

You might just be a regular office worker, not a film director or a programmer, and you might not be creating amazing products daily. But when you hold an iPhone and use a Mac, looking at its exquisite industrial design, you subconsciously feel a resonance, feeling a step closer to that ultimate creation, right? Everyone has a pursuit of beauty and an urge to create, which allowed Apple to successfully expand its circle and become a phenomenal, universal product. But it must be clear that when Apple creates and polishes products, their internal North Star metric has always been that precise target demographic. They are constantly envisioning: what kind of next-generation tools do these creative people need? How do I need to grind and iterate my devices so they can create more efficiently and perfectly change the world? To see through Apple, you must first see through this original intention and target demographic; this is the first point.

The other point is that, revolving around this demographic, they are indeed sparing no cost to make the best products in the world. This product matrix includes not just hardware, but also extremely massive software and services. On the hardware end, it operates in the consumer electronics industry. This industry inherently possesses an extremely massive natural market space, with a huge variety of extendable physical hardware covering phones, tablets, computers, watches, earphones, and even smart home and spatial computing devices. The industry is large enough, the growth potential is good enough, and of course, the competition is exceptionally brutal. On the other end, besides selling hardware products, Apple also provides extremely lucrative software and services. Examples include the famous App Store, and the various high-margin cloud services and digital content derived around it: such as iCloud storage, Apple Music, Apple TV+ streaming services, Apple Pay mobile payments, Apple Care after-sales protection, and search advertising services. So, hardware is its gateway to acquiring users, while software and services are the continuous profit thickeners within its ecosystem.

Financial Statement Perspective: A Cash Flow Model Like a Money Printer

We can use the most rational approach to deconstruct Apple's full-year financial statements for 2022, giving everyone the most intuitive feel for this massive commercial machine.

1. Income Statement

Apple's total revenue for the 2022 fiscal year reached a staggering $400 billion. In revenue composition, hardware sales contributed 80%, while software and services contributed 20%. Translated into plain English: selling hardware earned $320 billion, and selling software and services brought in $80 billion. Within hardware sales, the iPhone is the absolute anchor, accounting for 65% of the entire hardware pie; the iPad accounted for 9%; Mac computers, wearables (including Apple Watch and AirPods), and smart home devices accounted for the remaining 13%. Clearly, hardware is the absolute bulk, and within hardware, the iPhone is an absolute super-mega product.

Beneath the $400 billion total revenue, after deducting the direct cost of goods and services sold ($224 billion), Apple's full-year gross profit hit $176 billion, pushing the blended gross margin to a staggering 43%! In the fiercely competitive consumer electronics hardware industry, which heavily battles on efficiency and cost, you can hardly find a second giant with such a high gross margin. Whether it's Samsung or domestic brands like Huawei, Xiaomi, OPPO, and Vivo, their hardware margins are not even in the same magnitude. There is a shockingly impressive set of industry data: the iPhone's volume share in the global smartphone market is actually only about 18%, but the revenue it captures accounts for 48% of the entire industry; and in the final profit pool share, Apple alone monopolizes an astonishing 85% of the global smartphone industry's profits!

If we break the gross margin down further: Apple's hardware gross margin is actually 36%, while its software and services gross margin is a whopping 72%! This is easy to understand. Once software and services cross the R&D threshold, serving each additional customer consumes only miniscule server compute and very few operational resources. It doesn't bear the high physical material and advanced manufacturing costs that hardware does, so software services naturally have double the gross margin of hardware. Remember this 72% figure.

Below gross profit, we deduct the company's daily operating expenses. In 2022, Apple's total full-year operating expenses were $51 billion. R&D investments accounted for 7% of total revenue, while SG&A (selling, general, and administrative) expenses accounted for 6%. For a behemoth with $400 billion in annual revenue to strictly control its overall expense ratio at 13% demonstrates its extremely efficient organizational operations. Finally, after deducting all taxes, Apple captured $100 billion in net income in 2022, achieving a comprehensive net profit margin of 25%! For a consumer electronics hardware company to achieve a 25% net profit margin is extraordinarily rare in all of business history.

2. Balance Sheet

On the asset side, Apple has extremely deep and enviable cash assets sitting on its books. As of the end of 2022, the company held a total of $170 billion in cash and cash equivalents, including marketable securities. Simultaneously, the company had about $110 billion in long-term interest-bearing debt. Subtracting debt from cash means Apple holds $60 billion in net cash assets. Its financial foundation is exceptionally healthy.

3. Cash Flow Statement

Apple's full-year operating cash flow reached $122 billion. This means that by selling hardware and software, after deducting all daily corporate expenses, this money-printing machine rakes in a net inflow of $122 billion in real cash a year. And the most brilliant part is that the company's full-year capital expenditure (Capex, meaning heavy-asset reinvestment like buying factories and updating machinery) only required $11 billion!

This directly leads to a terrifying metric: Apple's free cash flow for the year was a staggering $111 billion! This means that in its commercial expansion, it absolutely does not need to rely on any external financial institutions for financing or borrowing; it simply cannot spend all the excess cash it generates. And the way it handles this massive free cash flow is very pure and aggressive—it directly and frantically repurchases and retires its own stock on the secondary market. This allows long-term shareholders to effortlessly see massive boosts in their earnings per share and ownership percentages. Through the lens of these three statements, everyone should have an extremely intuitive and concrete understanding of this terrifying money printer's earning efficiency, cost structure, and healthy cash flow model.

Unveiling Apple's Four Major Moats

Now that we know how it makes money, for us value investors, the most core, difficult, and skill-testing step is to deconstruct its moat. It requires judging whether its competitors can actually copy or surpass it in the future, and answering a first-principles question: if you had $2 trillion and could hire the smartest managers and R&D teams in the world, would you have absolute confidence in completely taking Apple down?

I previously threw this same question to the AI tool DeepSeek. Its macro answer was: "Apple's moat is not a single advantage, but a positive closed-loop flywheel where brand premium leads to high profits, high profits lead to high R&D investment, high R&D leads to ecosystem expansion, and ecosystem expansion leads to user lock-in. Its core lies in establishing user habits through the integration of software, hardware, and services, while simultaneously building competitive barriers with technology and supply chain."

Honestly, this answer is safe and comprehensive, indeed covering every dimension. But it's too macro and abstract, carrying a heavy PPT reporting language style, lacking true commercial prioritization, and failing to explain the underlying essence of why Apple dominates the commercial world. For instance, it attributes the starting point of Apple's success to "brand premium," believing that because the iPhone is sold as a high-end product, is expensive, and has a brand premium, it made big money; and only with big money could it afford to pour into R&D, build an ecosystem, and construct supply chain barriers.

In my personal business model deconstruction system, I consider this a logical error against common sense. Many companies in the market today scream about creating a high-end brand out of thin air through macro "brand planning, brand strategy, and high-end positioning," which is a completely backward fantasy. A brand is never the cause that can be unilaterally "planned and positioned." A brand is the ultimate result (it is the effect, not the cause). A brand is essentially the ultimate accumulation of all positive impressions minus negative detractions left in the minds of massive numbers of consumers over a long river of time, generated by the products a company makes and the services it provides.

Just like the classic analogy Buffett used when deconstructing See's Candies' brand moat: during the peak Christmas sales season, when there is a long line outside the store, can the saleswoman, in an extremely exhausted state, still maintain a sincere, warm smile when handing the last box of chocolates to the last customer? If she coldly tosses the product to the customer out of exhaustion, the brand's value is weakened; if she can still convey warmth, the brand's moat is widened. A brand is exactly this psychological market share, piled up day by day through countless tiny, positive touchpoints of product and service. High-end luxury brands like Hermès follow the exact same logic. Without centuries of European royalty and old money loving its ultimate equestrian craftsmanship and its historical accumulation, a new brand throwing endless money at high-end positioning could absolutely never stack up a brand barrier like Hermès'.

Apple's brand is the same. It absolutely wasn't created by clever marketing or by positioning itself as high-end. The commercial motivation of Steve Jobs and the Apple team for decades has always been, "I will grind to make the world's most ultimate, best product for my target demographic." When massive numbers of users, after using iPhones and Macs for over a decade, naturally accumulate the highest, most solid consensus of trust in the company due to flawless, outstanding experiences and extremely elegant industrial design, only then does Apple's unsolvable brand barrier emerge. So, a brand is the byproduct of an ultimate product; it is the result, not the starting point.

Similarly, the term "premium" carries a certain consumer bias, implying an unreasonable, artificially inflated price or "idiot tax," lacking value for money. But starting from common sense, consumers as a whole are extremely rational over the long term. If a piece of hardware isn't worth the price, everyone will undoubtedly vote with their feet and leave. When consumers are willing to spend nine or ten thousand yuan on an iPhone, they are not just buying a few ounces of metal and screen hardware. They are simultaneously buying the reliability of an extremely silky-smooth, stutter-free system; they are buying the peace of mind that it won't crash at random and miss critical business calls; they are buying comprehensive and strict privacy protection; and they are buying a highly worry-free, bundled experience with no high future maintenance energy costs. Adding up all these intangible services, peace of mind, and emotional value, Apple actually offers the highest value for money and the most worry-free phone in the industry. Therefore, no matter how high Android phone specs are stacked or how cheaply they are sold, many high-net-worth users still fiercely stick to the iPhone. This is absolutely not because they are vain or brainwashed, but because consumers across humanity are voting with their feet long-term based on the most rational logic.

Stripping away these broad, generalized PPT clichés, I personally categorize Apple's true core moat precisely into the following four hardcore dimensions governed by first principles:

Moat 1: Extreme Focus and True Consumer Orientation

The most core starting point of Apple's moat lies in its ability to maintain a highly restrained strategic focus for decades—something that seems unimaginable to Wall Street. When Steve Jobs returned to Apple in 1997, he discovered with heartbreak that Apple's management at the time had contracted a severe "disease of the rich." The executives mistakenly believed that as long as they had a stunning idea, a good product would automatically be produced on the assembly line. Jobs said that ideas are actually the cheapest things in Silicon Valley. Going from a good idea to a great product that ultimately makes consumers scream requires countless precise craftsmanship refinements, massive trade-offs unimaginable to ordinary people, and a spirit of craftsmanship.

The grandiose management back then, having too many mediocre ideas, developed hundreds of conflicting, mediocre hardware models, pushing the company to the brink of bankruptcy. The first thing Jobs did upon his return was take out the scissors and perform violent subtraction. He cut over 70% of the redundant product lines, bringing the entire company's bandwidth back into absolute focus.

Apple's focus is reflected in three extremely high strategic dimensions:

First, it exclusively targets the 2C (consumer) business. Looking at the global tech industry, giants like Microsoft, Google, and Amazon are massive because they all have a very heavy, asset-intensive 2B (enterprise) core business serving large corporations and governments. It's not that Apple lacks the capability to do 2B business; rather, for decades, it has been extremely restrained, only allowing itself to focus on the 2C consumer ecosystem. This is the first layer of focus.

Second, it is highly focused on its "target demographic." Whenever it makes iterations and trade-offs in any product design, its mind is always clearly anchored on that core group of creative, independent geeks and elites. It won't make a product flashy or mediocre just to blindly please other general entertainment users; it consistently focuses on grinding out the sharpest tools for creators.

Third, and what strikes the most fear in its peers, is its "Hero Product Strategy." Nokia, the overlord of the feature phone era, wanted to cover as many demographics as possible and was eager to research and launch hundreds of wildly different models every year (music phones, business phones, low-end sliders, etc.). Apple, however, applies an extremely restrained, absolute focus in every physical category. In the phone category, there is only one product: the iPhone. Computers are only Macs, tablets only iPads. Although the iPhone later spawned tweaked models like Pro, Plus, and SE, it essentially maintains the strategic restraint of a single hero product line.

The hero product strategy brought Apple a terrifying supply chain scale effect. Because it obsessively focuses on one phone, its mold development and advanced manufacturing costs can be massively diluted across tens of millions of massive shipment volumes. Its channel distribution, store staff training, and after-sales spare parts costs are squeezed to the lowest in the industry. Most crucially, because the hardware models are extremely pure, the R&D and testing costs for global software developers to adapt their apps to the underlying hardware for iOS are extremely low. This naturally incentivizes the world's most brilliant software development geniuses to prioritize launching their first, best, and most stunning apps within the Apple ecosystem, creating an immensely strong positive feedback loop. Domestic manufacturers like Huawei, Xiaomi, OPPO, and Vivo want to learn Apple's hero product route every day, but under the pressure of survival and competition, they ultimately are often forced back into the hyper-competitive quagmire of the "sea-of-devices" tactic. This strategic focus is the bedrock of Apple's deepest moat.

Based on this focus, Apple has achieved true consumer orientation in product experience. Its definition of the "ultimate good experience" is profoundly deep—it's not about piling on cool hardware specs to show off to the market, but pursuing ultimate simplicity and fluidity that best match human intuition. It pursues a simple interaction where a three-year-old child and a seventy-year-old senior don't need a manual, instinctively knowing how to use it. Its system animations are the silkiest in the industry. It extends the polishing of the product experience into every full-lifecycle detail, both seen and unseen by the user. It pursues an overall user experience filled with Eastern restrained aesthetics, stripped of all redundancies.

Moat 2: Vertical Integration of Software and Hardware into a Closed Ecosystem

This ultimate overall user experience is naturally built upon Apple's decades-long, highly controversial, yet indestructible vertically integrated closed ecosystem.

In the PC era, Microsoft's Windows achieved OS democratization and terrifying ubiquity by opening its software to all personal PC manufacturers globally, pushing the closed Apple computer into a near-bankrupt corner. Later, in the mobile era, Google's Android pursued the same open strategy. In the eyes of the Silicon Valley geek culture at the time, which revered "democratization, open source, and sharing," being open was absolutely correct. But Steve Jobs and the Apple team had an extremely paranoid obsession with aesthetics and taste. They firmly believed that to deliver the most flawless, uncompromising ultimate product experience to target users, the company must possess absolute closed-loop control over both the software OS and the underlying hardware. There is actually no right or wrong between the two; openness brought extremely high-density ubiquity, while Apple's closed approach preserved the highest-tier, most tasteful experience ceiling for humanity.

On the hardware end, taking Mac computers as an example, they used PowerPC chips early on, but switched to the Intel chip camp in 2006 for compatibility and performance. However, as Intel later suffered from weak innovation, high power consumption, and severe heat generation, it severely limited Apple's product definition for ultimate thinness, lightness, and battery life in laptops. So Apple laid the groundwork in secret years ago, independently developing underlying architectures regardless of cost. Finally, in 2020, it launched the industry-stunning M-series proprietary chips, taking computer performance and power consumption to an entirely new height. The iPhone follows the same logic, insisting on using proprietary A-series core chips from the start, maintaining a multi-year, gap-creating lead in single-core performance over the Android camp for years, building a powerful hardware defense. Apple invests massive capital in proprietary chips not to make money selling semiconductors like Qualcomm or Intel. The only customer for its chips is itself; it is purely to achieve that ultimate software system experience it defined.

On the software end, Apple's macOS and iOS are never opened to outsiders. Because commercially, no one is foolish enough to hand over their core competitiveness to others. When we, as users, interact with electronic devices every day, on the surface we are facing cold hardware, but in reality, 90% of the time we are having a deep dialogue with the underlying software system and interaction logic. Software is actually closer to consumers' psychological market share and real experiences than hardware.

Steve Jobs once affectionately quoted the famous saying by Silicon Valley titan Alan Kay: "People who are really serious about software should make their own hardware." Steve Jobs was a man who, during his college dropout days, deeply studied calligraphy and typography purely out of aesthetic paranoia. It was exactly due to this ultimate pursuit of art and software taste that the first-generation Macintosh became the first computer device in human history with beautiful serif fonts and an elegant Graphical User Interface (GUI).

Because Apple keeps absolute control tightly closed within itself, it can make software and hardware produce perfect chemical reactions. Conversely, in the open Android and Windows camps, because the system must adapt to thousands of hardware devices from different manufacturers, with different screens and chips, their underlying interaction experience is inherently fragmented, bloated, and non-uniform. Everyone has their own definition of fluidity and intuition. This ensures that the open camp can never rival Apple's meticulously integrated closed-loop system at the highest tier of user experience.

Another terrifying characteristic this vertical integration exhibits in product strategy is Apple's absolute "no-compromise" stance on quality. Internally, Apple has an almost cruel, unyielding consensus on what constitutes an excellent product. If a product line fails to meet this passing grade, no matter how much money has already been burned, management has the courage to ruthlessly cut it and publicly admit the mistake. For instance, the AirPower wireless charging mat, which was grandly unveiled at a launch event, failed to perfectly solve safety flaws regarding multi-coil heat dissipation. Apple chose to cancel it entirely rather than force it to market. Another example is the Apple car project, secretly developed for a decade with tens of billions of dollars poured in. When the team assessed that current technology couldn't create a truly disruptive, fully autonomous L4 car without a steering wheel, Tim Cook and the management resolutely scrapped it. Because Apple absolutely refuses to release a traditional, ordinary EV relegated to a mediocre assembled good.

This includes the recent progress of Apple Intelligence, which was heavily criticized by the outside world for lagging in the AI wave, with Siri delaying wide-scale rollout. This is absolutely not because Apple lacks the technical capability to hastily cobble together an AI chat interface full of hallucinations and nonsense like those on the market. Rather, it's because in Apple's baseline for user experience, system-level AI must absolutely not have high-probability hallucinations and errors. If a user asks Siri to send a core business email or set a schedule, and the AI hallucinates and gets it wrong, the trauma to the consumer's experience and privacy will be disastrous. So it must grind and polish until it perfectly aligns with Apple's definition of perfection before it is allowed to be released. This strategic restraint and uncompromising refusal to bow to mediocrity—even at the cost of missing out on quick, short-term money—is its deepest closed ecosystem moat.

Moat 3: Full-Process Innovation and the Reshaping of User Touchpoints (Process Innovation)

Apple's third moat is its incredibly rare capability for full-process innovation. For ordinary tech companies, innovation often remains single-dimensionally on product blueprints in R&D labs. But Apple, for the sake of the ultimate experience, can relentlessly execute disruptive innovation across every core business process and user touchpoint.

It dares to pioneer "unclaimed new categories" that predecessors never walked. From the early iPod and iPhone to the later Apple Watch, AirPods, and now the world-stunning Vision Pro spatial computing device—at the birth of these categories, there was almost no mature existing experience to reference in the market. The moment it strikes, it redefines the interaction standards for the entire category. Furthermore, Apple never makes "reactionary, short-sighted trend-chasing" moves just to cater to the market's short-term hot topics. When domestic Android makers swarmed to frantically compete in folding screen phones, or when the broader market chased crazy concepts, Apple sat steady, completely unmoved. All its innovations follow its own incredibly strong, long-term rhythm and patience, possessing a sense of precise, far-reaching layout where "clues are hidden thousands of miles away."

The stunning debut ("One more thing") of many new products looks like a sudden thunderclap on the surface, but the underlying technology has actually been secretly evolving and quietly rehearsed in other core product lines for many years. For instance, years ago, Apple equipped its high-end iPhones with LiDAR scanners. Many digital influencers and analysts were extremely puzzled, feeling this thing was useless aside from scanning a room or measuring AR distances. Another example is the "Spatial Audio" technology Apple pioneered and heavily promoted on AirPods; people thought it was just a fun, bonus auditory feature. It wasn't until years later, when the Vision Pro spatial computing device made its shocking debut, that everyone suddenly realized: the LiDAR that had been quietly iterating on phones for years was meant to allow the Vision Pro to perfectly perceive 3D spatial environments; and the spatial audio silently rehearsed on earphones for years was to give sound the most perfect physical sense of direction when users interact in virtual spaces. This deep, strategic foresight across product lines spanning five to seven years is an absolutely unreachable barrier for any fast-fashion trend-chasing peers.

Beyond product technology, Apple's innovation in user touchpoints and processes is equally masterful. For example, it redefined the highly dramatic and ritualistic tech product launch event. And an even greater innovation was its complete redefinition of the offline retail model for consumer electronics—the Apple Store (Apple's direct retail stores).

When the first Apple Store opened, Jobs excitedly led reporters to record a video, deconstructing every spatial design detail inside. At the time, all personal computers and electronic devices were sold on consignment in traditional third-party big-box stores like Best Buy. The channels were piled high with cardboard boxes from various brands, filled with noisy sales pitches. Jobs acutely realized: a consumer's product experience absolutely does not start the moment they take it home and unbox it; the gears of experience begin turning the moment they walk down the street, are attracted by the store window, walk in, and touch and compare the devices. If this most critical pre-sale and mid-sale experience were left for crude third-party channels to taint, Apple could not precisely convey its taste and design propositions to target users.

Thus, Apple once again made an astonishing decision that Wall Street thought was entirely crazy at the time: heavily investing in direct-sale stores. Everyone mocked how a consumer electronics company could possibly understand complex offline retail real estate. But today, Apple Stores—located in the most bustling prime locations of global core cities and designed like glass artworks—have become the most indispensable super totems of the Apple ecosystem. The iconic Genius Bar in the store broke the cold concept of after-sales repair, transforming it into a warm community for making friends with users and providing product training. Even every Mac computer displayed in the store has the angle of its opened screen strictly regulated to a perfect 70 or 72 degrees. This forces passing customers to irresistibly touch and adjust it. This is the full-process innovation of a detail maniac. At every touchpoint, it locks down an experiential moat that competitors cannot reach.

Moat 4: The Ultimate Efficiency and Crazy Squeezing of the Global Supply Chain (Operation Power)

The fourth competitive advantage, and the one that most amazes the entire business world, is that at its core, Apple is actually a cold, crazy, and maximally functioning super efficiency machine. This super operations and supply chain barrier hidden beneath the iceberg is the hardcore internal strength that ordinary observers, who only focus on superficial products, often overlook.

As long as you open doors for offline direct retail, all retailers in the world (whether it's Lululemon making clothes or supermarkets selling groceries) face a common, ultimate nightmare: Inventory Management. If your product forecasts fail and items don't sell, becoming expensive dead stock piled up in warehouses, they will frantically devour the company's cash flow. Countless seemingly massive retail empires in history ultimately collapsed overnight suddenly due to exploding inventory and broken cash flows. So how does Apple, under the heavy pressure of asset-intensive direct retail, maintain perfect cash flow circulation on its books year after year?

This is entirely attributed to the near-miraculous ultimate operational efficiency forged by Tim Cook and Apple's supply chain team.

Lightning-fast cash collection from direct sales: Because of direct sales, the moment a consumer places an order at an Apple Store or on the official website, massive amounts of real cash hit Apple's bank accounts instantly, without any payment cycle delays. There is absolutely no risk of massive bad accounts receivable that traditional intermediary distribution brings.

A terrifying 5-day inventory cycle: In traditional offline retail, an ordinary non-essential consumer good has an average turnover cycle on shelves and in warehouses of about 100 days. JD.com, which is at the pinnacle of domestic e-commerce and digital operations, manages to compress the inventory turnover cycle to an excellent level of about 30 days using massive local smart front-warehouses and precise big data algorithm forecasts. But Apple's global average inventory turnover cycle is an astonishing 5 days! This means that from the moment an iPhone is assembled at the factory to the moment it hits the shelf at any Apple Store globally, it only sits for an average of 5 days before being bought and cleared by a consumer. The book assets suffer basically zero retention depreciation loss.

A massive 150-day interest-free payment squeeze: On the flip side of the coin, because Apple controls the world's most massive, scarcest order volume and possesses the ultimate voice in advanced manufacturing, it wields near-absolute power of life and death over its upstream "Apple chain" suppliers (like Foxconn and thousands of core component factories). Suppliers deliver components and equipment to Apple's factories and warehouses early, but the average payment term Apple gives these suppliers is a terrifying 150 days!

If you put these two financial metrics together, you discover an incredibly shocking commercial reality: Apple's entire global supply chain is perpetually funding Apple with tens of billions of dollars in interest-free accounts to sell its own products! It sells goods at lightning speed in 5 days to collect cash, lets this massive position sit on its own books for a full 150 days, and only then leisurely pays its upstream suppliers. This is the deep commercial brilliance behind why Steve Jobs specifically went to Compaq to poach Tim Cook—this supply chain freak—to be COO, and ultimately anointed him as the successor CEO. The world's most ultimate, coldest supply chain efficiency machine that Cook built for Apple has made it absolutely invincible in financial security.

These four major moats stacked together directly lock out any competitor's ability to "flip the table" with money on both the consumer and developer ends. Users who have used Apple products naturally develop extremely strong physical stickiness to its full-family ecosystem. Consumers not only gain irreplaceable ultimate "functional value" from it; with the long-term accumulation of its "Think Different" spiritual totem, users naturally gain extremely high emotional value, feeling socially and psychologically, "I belong to that cutting-edge group that pursues the ultimate, the cool, and the creative" when carrying or using Apple devices. Even in the second-hand market, iPhones and Macs display the highest value retention rate in the entire industry, reflecting extremely resilient asset value.

When communicating with Buffett back in the day, Duan Yongping made a very sharp, radical claim: he believed Apple's moat was actually deeper than Coca-Cola's. His deductive logic was very straightforward: Buffett drinks Coke every day, and a can of Coke sells for two dollars. If Pepsi drops its price to one dollar tomorrow due to fierce competition, even someone as resolute as Buffett might subconsciously waver and choose to drink Pepsi, because the difference in taste and the friction cost of switching isn't that massive. However, even if Android phones today are 50% cheaper or more than iPhones, high-net-worth users deeply accustomed to the silky-smooth, integrated iOS ecosystem will absolutely not endure the massive sunk migration costs of a fragmented, hyper-competitive Android system just to save a few thousand yuan. This is why Apple can tightly grip a terrifying 85% of the industry's profits—because its business model is fundamentally unbreakable at the base layer.

Team and Corporate Culture: The Legacy of "Clock Builder" Steve Jobs

Standing at that point at the end of 2022 when I decided to go all-in, the second core dimension I needed to evaluate was: are Apple's team and corporate culture reliable?

When Steve Jobs unfortunately passed away from illness in 2011, global capital markets were shocked, and Apple's stock plummeted immediately. Because in the general perception of all humanity, Jobs was Apple's sole soul and creator. Now that the soul was gone, replaced by Tim Cook as CEO—a dry guy who only understood supply chains and crunching numbers—everyone put a massive question mark on Apple's future innovation capabilities.

This actually touches upon a great commercial debate posed by Jim Collins in *Built to Last*: is a great founder a "Time Teller" or a "Clock Builder"?

A Time Teller refers to a commercial genius with astonishing talent, standing at the absolute forefront of an era. He stands there and can accurately tell everyone what time it is now and which direction to go next. Everyone must rely on his personal intellect.

A Clock Builder refers to an even greater strategist. Knowing that an individual's life is finite, he doesn't just tell time; he pours his heart and soul into designing and building a precise, self-running "grand clock" for the enterprise—that is, forging an indestructible corporate culture, values, and organizational innovation mechanisms. This way, even if he departs one day, this grand clock can still tirelessly tick on its own through institutional inertia, continuing to create great products.

In the dozen or so years since Jobs' passing, Tim Cook led Apple not toward collapse, but pushed its market cap from hundreds of billions all the way to a peak of $3 trillion, continuously launching a series of industry-dominating great works like the Apple Watch, AirPods, and Apple Silicon chips. At this point, global investors suddenly realized: the middle-aged and elderly Steve Jobs had long since transformed from a paranoid Time Teller into the greatest Clock Builder in commercial history. His most core, most precious legacy to Apple is exactly its corporate culture that no one can steal away.

Steve Jobs was not a god; he was a living, breathing person who, in his youthful arrogance, was once kicked out of the company due to his eccentric personality. But after his return to Apple, he truly built an organizational design that allowed outstanding products to hatch continuously. Historically, there were many product decisions later proven to be extremely great that were initially strongly opposed by Jobs himself. For instance, the famous App Store: when the first-generation iPhone was born, Jobs staunchly opposed opening it to third-party software downloads. He stubbornly believed all apps should run on the Safari browser, and introducing third-party downloads would severely threaten the system's security and purity. But his core R&D team, by presenting facts, reasoning, and constant demonstrations, ultimately successfully persuaded him, leading to the great miracle of the App Store later. Another example is when he was extremely paranoid in mandating that the iPod absolutely must not be compatible with Windows PCs and had to remain closed within the Mac platform; eventually, the team successfully advised him against it, allowing the iPod to reach all of humanity. This includes the later iCloud service, which he initially resisted. This fully proves that Jobs was not an obstinate, deaf tyrant. He was an outstanding leader who, despite an extreme paranoia for high quality, was willing to compromise with rationality and the team as long as the solution provided a better user experience. What he established was an outstanding cultural organization that believed in "small team innovation and the pursuit of the ultimate good product."

When Tim Cook took over as CEO, Wall Street was full of bias, thinking Jony Ive—Apple's chief designer and the soul of the products—should take the helm, and feeling Cook was an uninspired worker who only understood numbers. But a $3 trillion super empire requires not just top product design, but at its foundation, it requires extremely tight coordination across all aspects: operations, finance, supply chain, PR, legal, and global ecosystem governance. As the number one CEO, you don't necessarily have to hold the brush and draw the product lines yourself. The most core test is whether you know how to heavily rely on top product geniuses, grant them absolute trust and authorization, strategically help them steer the right course, and pass down the company's highest cultural values.

By this standard, Tim Cook is an almost perfect, outstanding CEO. Back when designer Jony Ive was leading the development of the first-generation Apple Watch, due to his deep luxury complex, his strong inclination was to build the Apple Watch into a pure, high-premium, high-end luxury accessory to compete head-on with traditional centuries-old European watchmakers. Ultimately, it was Cook who displayed an extremely clear commercial big-picture view at a critical moment, decisively recalibrating and redefining the watch's strategic direction into "sports and vital health"—the biggest rigid demand lane for all humanity. This pulled the Apple Watch out of the dead end of niche luxury and forged the terrifying myth today where its sales exceed the entire Swiss watchmaking industry combined. Can you say Cook doesn't understand products? A person who can truly remain unbiased and entirely guided by consumers' real, rigid demands is the top master who understands products the most.

Tim Cook perfectly inherited the essence of Steve Jobs' mantle. Even today, when Apple has become so massive, he still retains the habit Jobs left behind—unfailingly reading massive amounts of direct feedback and complaint emails sent to him by ordinary consumers globally every day, keeping his feet firmly planted in the consumer soil at all times. Furthermore, under his governance, Apple still perfectly preserves the great organizational culture of "small team innovation, zero compromise on quality, and pursuits beyond profit."

Pursuits Beyond Profit

The so-called pursuit beyond profit means that when making many long-term strategic decisions, what guides them is absolutely not "how to make the most financial profit next quarter," but a nobler product obsession. If it were purely about earning financial profit, given Apple's scale, financial power, and brand aura, it could easily follow domestic manufacturers and quickly launch various flashy but rapidly depreciating foldable phones, or casually cobble together a beautiful EV to push to the market. Even selling it casually could contribute tens of billions in revenue to the financial statements, right? But because of its pathological obsession with perfection and extreme reverence for the user experience, before it reaches its own defined passing grade, it would rather bear the massive criticism and suppression from the capital markets, choosing to show restraint and even self-sabotage by axing substandard projects.

It has elevated user privacy protection to the highest level in the industry, not hesitating to offend various internet advertising giants. It absolutely refuses to hastily launch system-level AI until it perfectly solves on-device privacy security. It spends huge R&D costs year-round designing extremely nuanced, stunning accessibility features at the product's base layer for a tiny minority of disabled people globally (like the recently launched core hearing aid upgrade on AirPods that will benefit countless seniors with hearing loss, which brings almost zero short-term boost to company sales, but embodies the social civilization care of a great enterprise beyond profits). This cultural depth ensures that even if this massive machine makes mistakes on certain details or experiences fluctuations, it will never deviate from the right track. Therefore, its corporate culture is extremely outstanding and healthy.

Price and Margin of Safety: A Mathematical Deduction at a Glance

Based on seeing through its top-tier business model and absolute trust in its outstanding organizational culture, when the end of 2022 rolled around, I finally encountered my perfect investment timing.

At that time, due to temporary lockdown interruptions in the Chinese supply chain at the tail end of the pandemic, restricted factory capacity, and chip shortages, several core iPhone hardware deliveries faced delays, causing the capital markets to spiral into extreme panic. Simultaneously, analysts started publishing lengthy bearish reports on Apple, feeling that iPhone innovation had peaked, users' replacement cycles had stretched to four years, global consumers disliked buying expensive phones due to high inflation, antitrust regulatory pressure was looming, and the tech stock valuation system was collapsing. For a time, top Wall Street institutions led the panic, frantically dumping Apple stock at a loss, driving Apple's share price all the way down to a freezing point around $130, corresponding to a total company market cap that fell to just over $2 trillion.

Amidst the bearish ghost stories of the entire market at that time, I used rational common sense judgment to discover that this was absolutely not a fatal systemic risk, but rather a rare, massive strategic opportunity.

First, the temporary supply chain interruption caused by macro cycles and sudden lockdowns would only affect its short-term financial performance for one or two quarters; it didn't harm the slightest commercial foundation of its integrated software and hardware.

Second, those arrogant Wall Street analysts always narrowly and short-sightedly fixated on "how many new iPhones sold this year, what's the new device increment" when looking at Apple. They completely ignored that the iPhone had become a highly mature, top-tier category. Its hardware lifespan is extremely long, and a four-year user replacement cycle is a perfectly normal, healthy, natural law. Moreover, Apple is extremely conscientious and generous with backward compatibility on older systems, allowing it to accumulate a massive, deeply sticky installed base of active user devices globally. By the end of 2022, the total number of active Apple devices globally was approaching a staggering 2 billion. This meant that although new hardware growth was slowing, relying on this massive, highly trusting installed base of 2 billion devices, the software and services revenue behind Apple was entering an explosive, higher-margin massive monetization space (software and services revenue already hit $80 billion in 2022).

I made a rational, long-term rough deduction at the time: with the continuous rise in the proportion of software and services, Apple's annual net profit had every chance to double from the $100 billion at the time to $200 billion or even higher over the next five to ten years. Its long-term intrinsic value was extremely certain.

Having determined that it was a good company with a good culture, the final step was to see if it was a good price. Value investing absolutely does not mean you can blindly buy at any high-bubble point without thinking; you must leave an absolutely solid margin of safety for your principal.

How do you calculate if its valuation is a good deal? We absolutely don't need to act like those Wall Street analysts, setting up a bunch of complex formulas in Excel to calculate precise errors. What we want is "a rough but accurate glance"—vaguely right. Buying a stock is buying a company, right? A $130 stock price corresponded to a total Apple market cap of $2 trillion at the time. And it could earn $100 billion in real cash a year. This meant that if you spent $2 trillion to buy the entire Apple company completely, the static Price-to-Earnings (PE) ratio you obtained at the time was only about 20 times! In other words, as the sole owner, your static long-term return rate upon entry was around 5% (1 / 20). Based on my certainty that its 2 billion installed devices would continue to explode in software and services margins, I believed the $2 trillion asking price held a massive margin of safety, with a very high probability of hitting a $3 trillion or even $4 trillion market cap in the future. So without any hesitation, around the end of 2022 near $130, I decisively went all-in and heavily bought Apple.

During the year and a half of buying and holding on tight, my heart was actually restrainedly hoping it would drop even deeper. Because under the premise of understanding it within my circle of competence, the harder it fell, the more perfect an excuse I had to buy more, right? But unfortunately, the market quickly regained rationality, and later, fueled by the fanatic wave of the "Magnificent Seven" tech giants, the US stock market began to surge madly. By September 2024, Apple's total market cap was rapidly pushed to a peak of $3.5 trillion in a short time, and its corresponding static PE had stretched to a level of 35 times.

At this point, I made a decision: I sold all my Apple shares to cash out, capturing a 70% pure profit after holding for less than two years. In the value investing system, there are usually only three core, hard-trigger reasons for selling a stock: First, you realize your initial fundamental judgment of the business was completely wrong, and you must cut your losses and admit the mistake; second, the market bubble becomes extremely crazy, and the PE ratio assigned to the stock price (e.g., reaching hundreds of times PE) has completely overdrawn the growth space of the next few decades in the short term; third, which is the most common situation, is that you discover a significantly better investment opportunity in the market that surpasses your current holding in certainty and return rate.

My choice to sell Apple at a $3.5 trillion market cap was absolutely not because I felt Apple at 35 times PE had formed a bubble or was overvalued. It was purely because, at that moment, within my circle of competence, I caught a brand new, more perfect commercial opportunity whose win rate and future return rate were significantly better than Apple’s. In order to concentrate my forces and place a heavy bet, I chose to use the rich 70% profit Mr. Market gifted me to cash out at a high and swap into the new opportunity. Although for such an outstanding, top-tier evergreen enterprise, once you easily sell it, buying it back at a reasonable price in the future is often extremely difficult, and this decision might be proven wrong in the future, it completely aligned with my current investment logic of uniting knowledge and action.

Conclusion: Stay Forever within Rational Common Sense

Reviewing and deconstructing this Apple investment, which was extremely important to me personally, I have four profound psychological takeaways:

First, truly understanding the business is the only yardstick that allows you to survive a market storm. Precisely because you thoroughly understood Apple's business model, corporate culture, and long-term certainty at the base layer, when the market suffered an irrational plunge due to panic at the end of 2022, not only did you not feel fear and panic, but you had a clear value yardstick in your heart. You knew the harder it fell, the higher the value-for-money, allowing you to heavily hold tight with an extremely calm temperament, sleeping soundly every day without needing to stare at the red and green ticks of the market and cause internal friction. Meanwhile, the vast majority of speculators in the market who blindly copy others, having no value anchor in their hearts, would cut their losses and exit in extreme panic after a mere 20% market fluctuation, thoroughly becoming "chives" (victims).

Second, you must search for your own "Correct Non-consensus" within your circle of competence. If you want to make truly big money in investing, your foundational viewpoint at the beginning absolutely cannot be the blind consensus of the market. You must find a "non-consensus" that is currently unrecognized by the broader market but will ultimately be proven absolutely correct by time. Back then, the entire market was bearish, saying the iPhone had peaked and tech stocks were going to crash, while I used common sense to see the extremely massive and high-margin software services monetization space behind its 2 billion installed devices. This insight was my own correct non-consensus, and it ultimately helped me secure the victory.

Third, self-awareness is ten thousand times more important than intelligence; never take risks outside your circle of competence. Everyone's circle of competence has extremely clear physical boundaries. Because Mr. Duan Yongping had over two decades of top-tier deep industrial accumulation in consumer electronics (with the internal strength of BBK, OPPO, and vivo), he could instantly see through the excellence of Cook and Apple's culture in 2011, when Apple's market cap was at a freezing point of only $300 billion. He dared to hold tight for over a decade and reaped a terrifying compounding myth of ten to dozens of times. Buffett, in 2016, by observing the inescapable stickiness people around him had to the iPhone, understood that it was actually a top-tier consumer goods business, decisively buying midway and capturing a sixfold return. Their circles of competence are much larger than mine, so they could earn the largest chunk of wealth within their cognitive boundaries. And in this trade, I only earned the small 70% rational return I deserved within the boundaries of my circle of competence. I remained absolutely honest with myself, I was very content, and I absolutely did not pay pointless "idiot taxes" for restlessness outside my circle of competence (like blindly betting on the latest AI themes or Bitcoin concepts I don't understand).

Fourth, structurally sever the logic between a "good product" and a "good business." Although Peter Lynch once shared a very grounded stock-picking method—telling ordinary people to pay more attention in daily life to companies with good products that have long lines and that they frequently consume. This is indeed a very good entry point to expand your watchlist; but everyone must remain highly vigilant: there is still a massive cognitive chasm between a consumer and a true investor! Buying a good product is just a simple consumption decision, whereas buying into a company is an extremely rigorous investment decision. A good product absolutely does not equate to a good business; the connotation of a company is far more complex than the product itself. In business history, there are far too many martyr companies that had stunning products but ultimately crashed and went bankrupt due to chaotic management and a collapsing business model.

You must, as we shared in these two episodes, always keep your feet planted in the plainest commercial common sense. Rigorously examine whether its business model is good, whether it has an unsolvable moat, whether the corporate culture allows the organization to remain evergreen, and whether the current price leaves a definitive margin of safety. A good business model allows a company to make money as smoothly as breathing (just like Apple gushing cash). If you unfortunately seek employment at or invest in a quagmire company with an extremely poor business model, because the industry is inherently unprofitable, no matter how much the management and bottom-tier workers work 996 (9am-9pm, 6 days a week) or frantically pull overtime to strive, they can only push the enterprise and individuals to the brink of destruction in brutal, homogenized hyper-competition. So, seeing through business models is a top-tier underlying wisdom that will benefit you for a lifetime.

Finally, I want to use the famous "Think Different" ad copy, written and affectionately recited by Steve Jobs himself in 1997, as the endpoint for this episode. Let us slowly get rich together in the world of common sense and rationality, and pay tribute to this great commercial Clock Builder:

"Here's to the crazy ones. The misfits. The rebels. The troublemakers. The round pegs in the square holes. The ones who see things differently. They're not fond of rules. And they have no respect for the status quo. You can quote them, disagree with them, glorify or vilify them. About the only thing you can't do is ignore them. Because they change things. They push the human race forward. While some may see them as the crazy ones, we see genius. Because the people who are crazy enough to think they can change the world, are the ones who do."

Alright, that's all for today. We will slowly expand on this later, and let us slowly get rich together on the great path of investing. Okay, bye-bye!