

18%

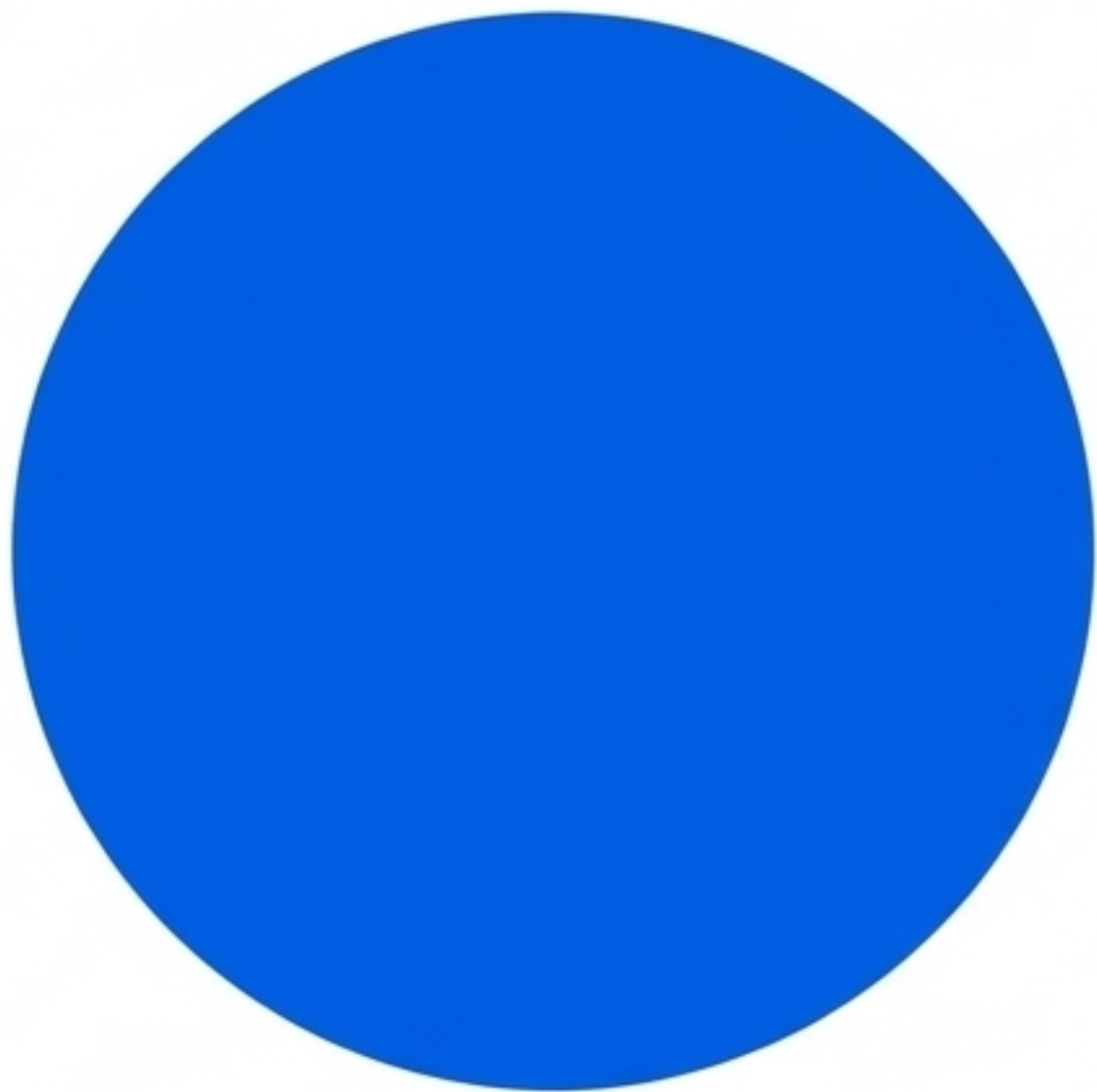
30 YEARS

FAST

Conversion of cash.

LONG

Absorption into a base.



THE TOLL (A)

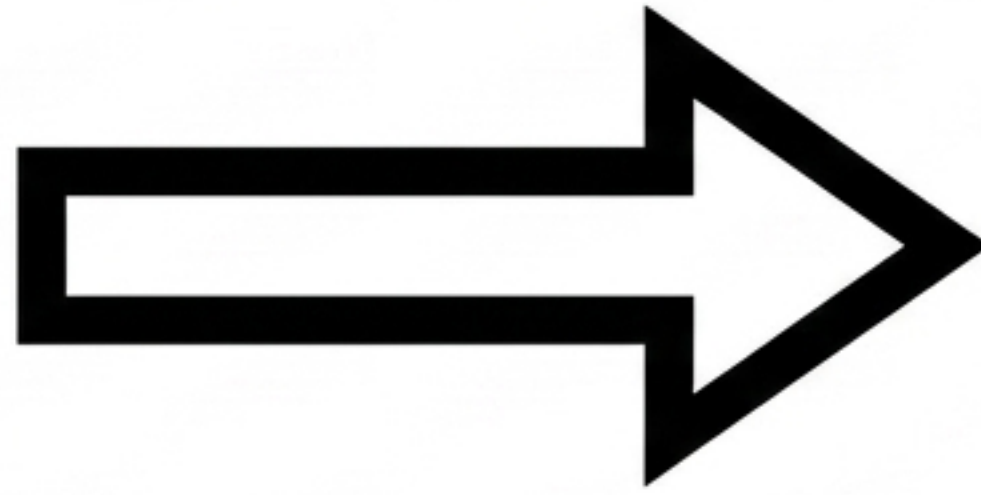
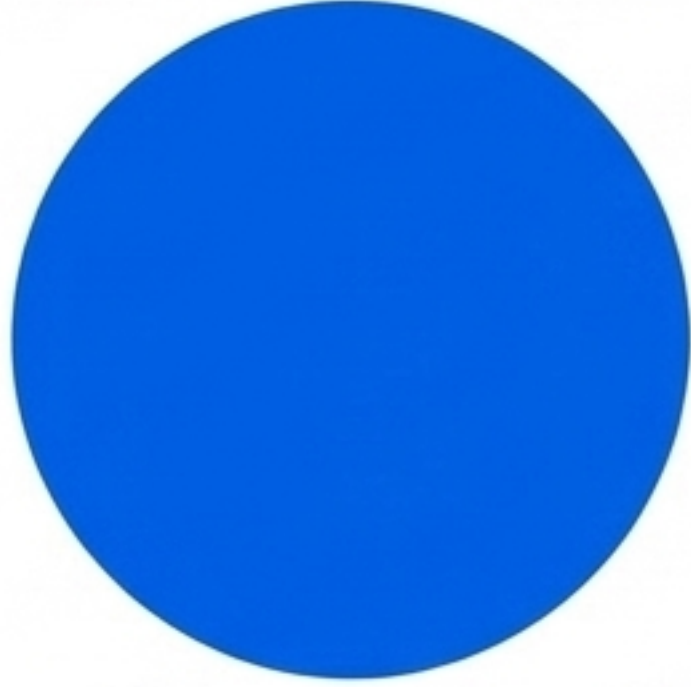
Cash Now.
Short Duration.



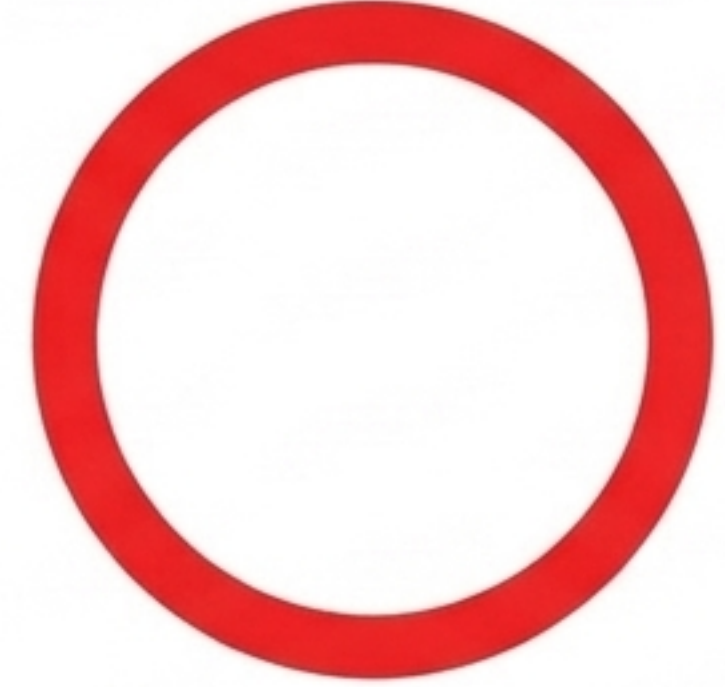
THE WAVE (B)

Growth Tomorrow.
Long Duration.

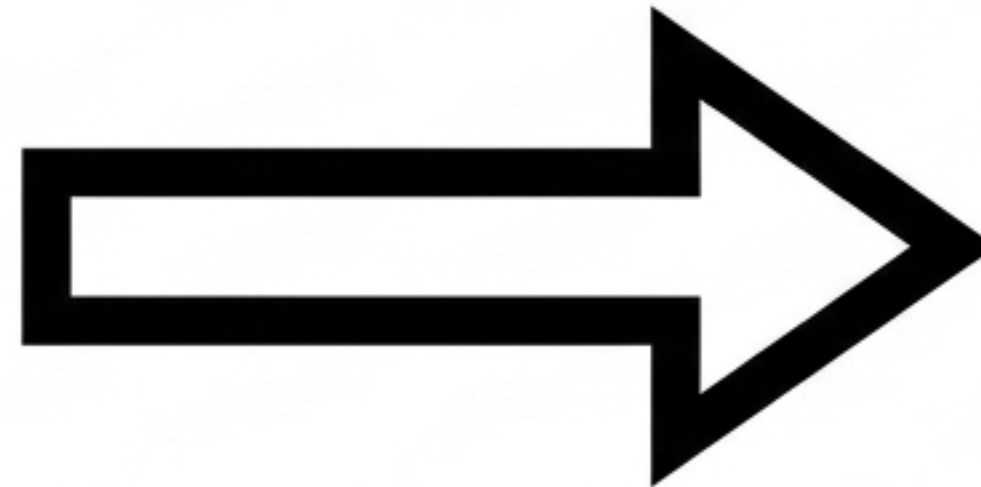
VALUE CREATED



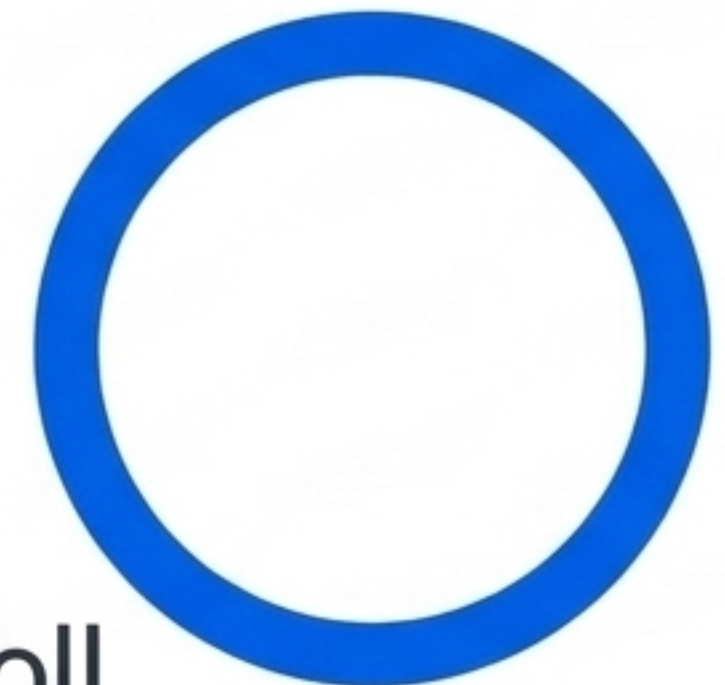
Toll feeds the Base.



VALUE DESTROYED



Costly Growth devours the Toll.



RECURRING

Visa



ONE-OFF

Consulting (Accenture)



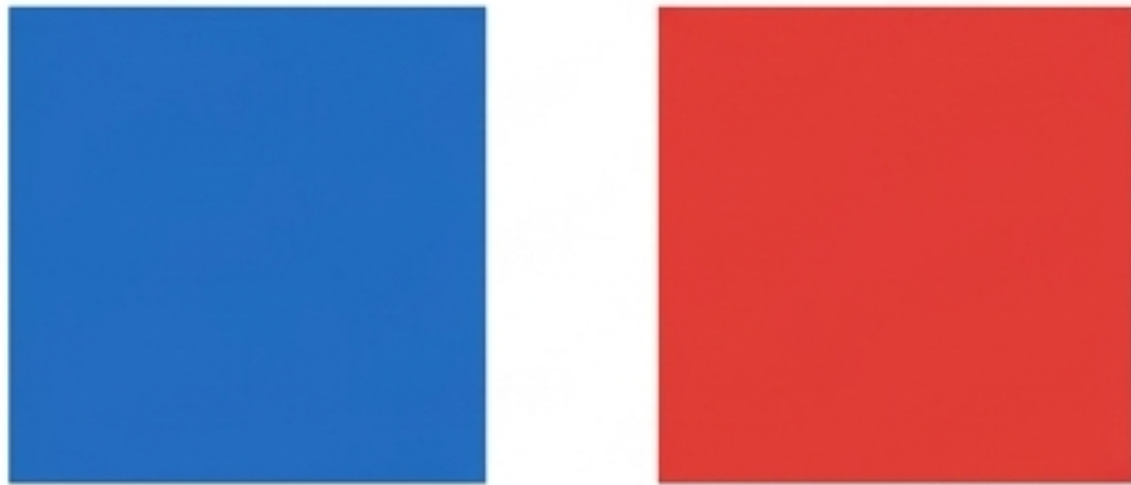
Stacking short does not make long.

MECHANICAL GROWTH

Union Pacific

$$A + B$$

Bought at market price.

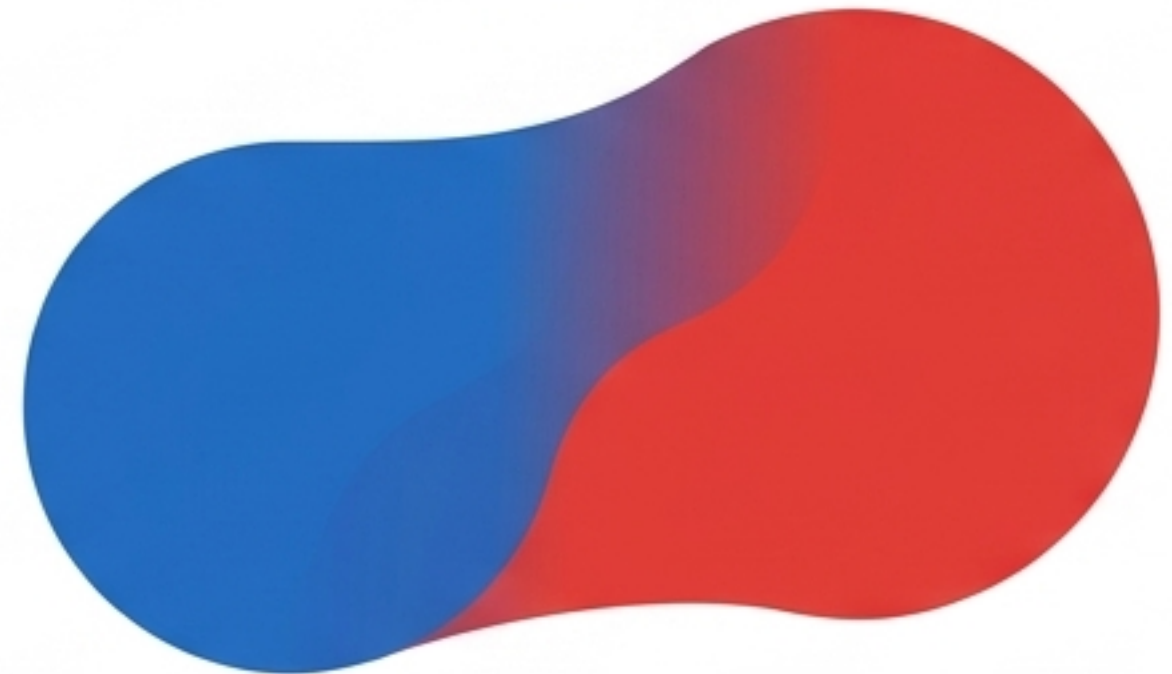


FREE GROWTH

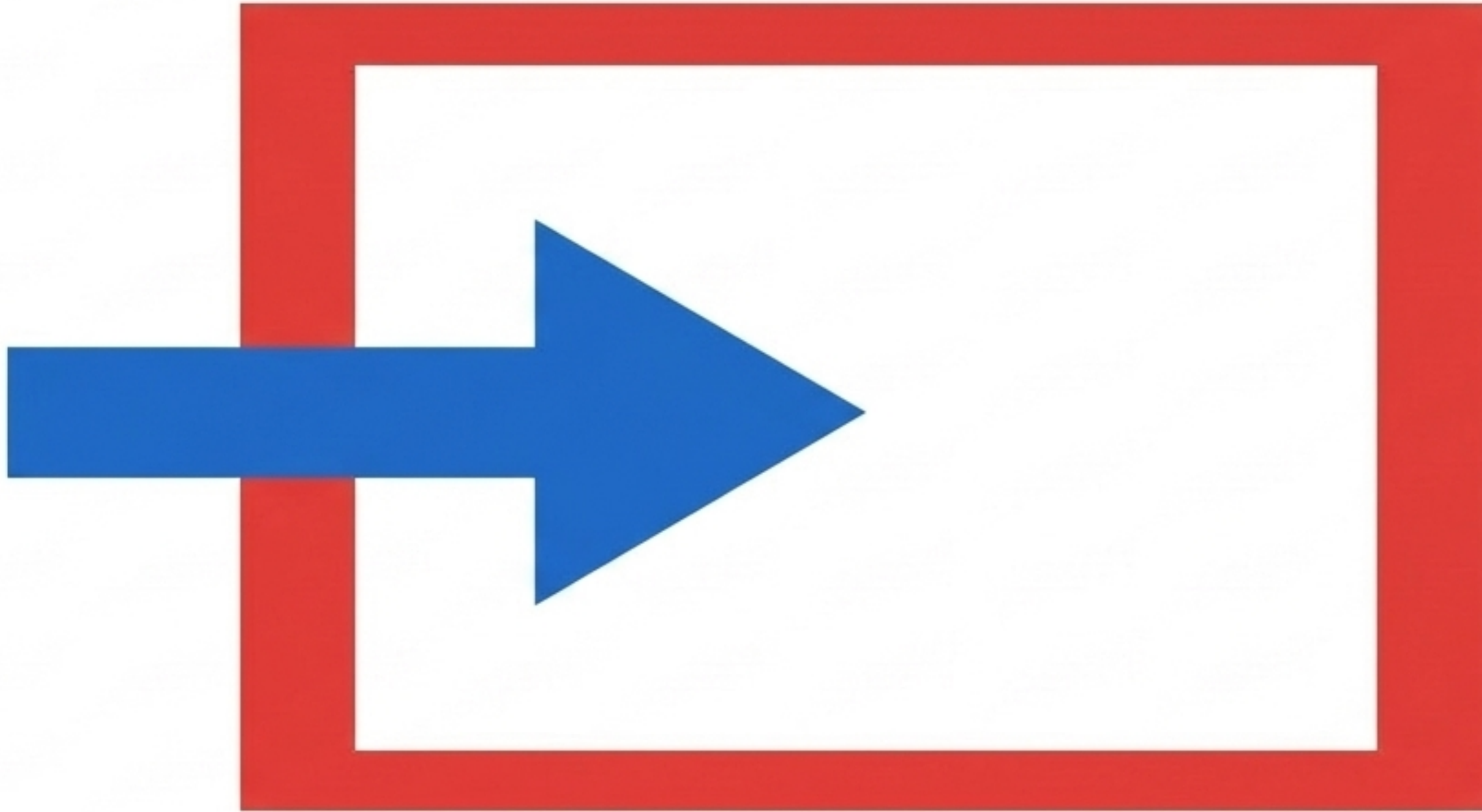
Visa

$$A \times B$$

Captured by the moat.



1. ABSORPTION



Base converts at full intensity.

2. OVERFLOW

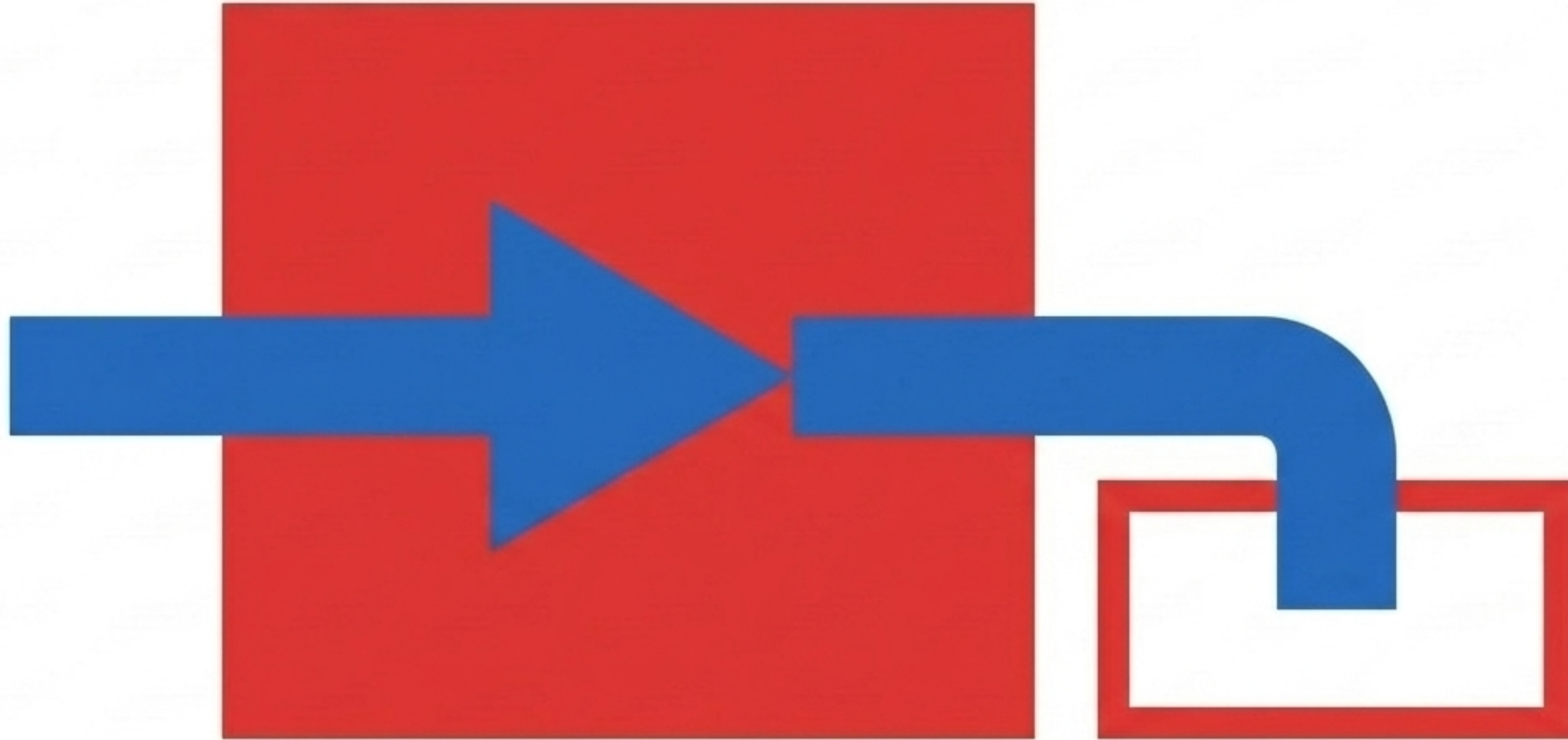
Coca-Cola



The base is full. Cash returns to owners.

3. THE WAGER

Alphabet | Microsoft



Surplus funds a second base.

THE DCF BLINDSPOT



Visa
Free Conversion



Consulting Firm
Mechanical Stacking

Same trajectory. Opposite natures.

VISA

CONSULTING

Growth

Captured Wave

Purchased Hours

Capital

Cannot absorb it all

Endlessly reinvested

Result

Overflows

Erodes

1. WHAT KIND OF TOLL?

(Recurring vs. One-off)

2. HOW DOES IT BUILD?

(Free vs. Mechanical)

3. WHERE ON THE CURVE?

(Absorbing vs. Overflowing)

THE OWNER'S CHOICE

RECEIVE

Coca-Cola

Overflow transfers the
work of conversion to you.

DELEGATE

Berkshire Hathaway

Internal reconversion.
They build the next base.

Disclaimer

The content of this presentation reflects a personal analytical framework and is intended for educational purposes only. It does not constitute financial, investment, or legal advice.