

This month, with the holiday season approaching, the Evenlode investment team have compiled a list of books that we have read over the second half of 2023, most, but not all, of which have been published in the last couple of years. We've grouped the reviews together by topic: investment and economics, business, history, sustainability, other non-fiction and fiction. Some of these texts are not obvious light-reading for Boxing Day, but we hope you will find something engaging on the list!

I would like to thank all our co-investors for their interest and support this year, and wish you an enjoyable, peaceful Christmas on behalf of the Evenlode team.

Investment and Economics

Material World – Ed Conway (2023)

(Evenlode Reviewer – Chris Elliott)

Conway offers an insightful exploration of six materials - sand, salt, iron, copper, oil, and lithium - that have significantly shaped our civilisation. The book investigates how these substances transitioned humanity from the Dark Ages to the modern era, emphasising their pivotal role in technology, construction, and medicine. Conway's narrative takes the reader across the globe, from deep mines to advanced factories, unveiling the complex processes that transform these raw elements into vital components of our daily lives. However, the book is not only about understanding these materials and their refinement, but also about appreciating their critical roles in shaping our future. His vivid descriptions of silicon wafer production and the historical energy transitions provide a deeper comprehension of our industrial evolution. Furthermore, his detailed account of the economic costs of accessing varied sources of lithium, essential for electric batteries, is particularly relevant in today's context of renewable energy and sustainability. The book is a compelling narrative that not only enlightens but also urges us to reevaluate our material dependencies in light of pressing global challenges.

Follow the Money – Paul Johnson (2023)

(Evenlode Reviewer – Hugh Yarrow)

Paul Johnson has been the Director of the Institute for Fiscal Studies since 2011. Follow the Money is his forensic, but very readable, analysis of the income and expenditure of the British state, which includes some interesting historical context along the way. Total UK spending in 2022/23 totalled £1.18 trillion, more than 40% of national income. Where does the money go to? Where does it come from? Where did it emerge from in the first place? Along the way he touches on related economic topics such as the distribution of income and wealth, our changing demography, and our economic performance. From this detail, a clear theme emerges – that there are few easy answers to the big questions of public policy and there are nearly always trade-offs to be made. As Johnson puts it 'you can't just cut taxes and expect all to be fine, any more than you can just increase spending without both managing the expenditure carefully and raising taxes to pay for it'. The book's main aim is to shine a light on the current tax and spending set-up, rather than to provide a blueprint for the future. Johnson does, though, along the way, point out plenty of ways in which endless fiddling over the years have made many details within the current tax system unnecessarily complex and illogical, and how our fiscal codes could be



changed to – among other things - be more efficient, more equitable and better structured to encourage long-term investment.

American Bonds: How Credit Markets Shaped a Nation – Sarah Quinn (2019)

(Evenlode Reviewer – Cristina Dyer)

Usually, when we think of credit, we think of banks, loans or rating agencies. This book offers a different perspective, that of credit as a social and political instrument that functions to produce the equivalent of a welfare state in the US. Credit can perform many of the same functions as charity without being stigmatised in the same way: provide a cushion during emergencies, compensate for low wages and help secure housing, healthcare or education. The book traces how federal credit paired with securitisation work together to build markets and operate at the centre of the US political economy to provide economic opportunities without overt wealth redistribution. The book uses securitisation history to offer insights into the relationship between states and markets and the co-dependency between the two. Just like undesirable cuts of meat can become more appetising when combined in a sausage, loans can be made more desirable to investors by being combined in a pool that diversifies the risks. Healthy markets generate a tax base that funds governments. In turn, governments help markets thrive by providing stable property rights, regulations and risk protections.

“American Bonds” is a detailed and engaging read, detailing the intersection between finance, politics, and history, within the context of credit markets and their influence on shaping the USA.

Capital and Ideology – Thomas Piketty (2020)

(Evenlode Reviewer – Rob Strachan)

Capital and Ideology quite substantially expands on Piketty’s previous book, Capital in the Twenty-First Century, over about a thousand pages. In addition to the satisfaction comparable to completing a feat of physical endurance, the book gives the reader deep analysis of inequality regimes throughout history and proposes some stimulating questions. Core themes are the importance of underlying ideological movements as a force for economic changes and the critical roles of universal suffrage and progressive taxation. Humans have an innate desire to ‘fill the void,’ in modern times we do this with the pursuit of property. Beyond this, it gives a great overview of economic history through many different lenses.

I would have preferred if it was concise with more evidence backing the arguments, though reading our own research notes (important, concise information only) perhaps biases my taste. Piketty quite convincingly argues that rising inequality is dangerous for society, but I was a bit disappointed that his suggested solutions, while caveated as framed to encourage debate, seemed like extreme proposals to an extreme situation.



Business

Going Infinite: The Rise and Fall of a New Tycoon – Michael Lewis (2023)

(Evenlode Reviewer – Hugh Yarrow)

Financial journalist Michael Lewis, of Liar's Poker and The Big Short fame, has written a short, odd book on the rapid rise, drama and crashing finale of FTX - the cryptocurrency exchange founded by Sam Bankman-Fried (SBF). It is mainly odd because the story is so strange. This was a company that had no board of directors, no finance director and no organisational structure, but grew from \$20m of revenue in 2019 to \$1bn of revenue in 2022, making SBF the world's youngest billionaire before he reached thirty. For context on the rapidity of his rise, SBF 'couldn't have told you what bitcoin was in 2017'. His first television interview (in which he liked to play computer games under the desk whilst fielding questions) was with Bloomberg in May 2021. FTX's bankruptcy filing was only 18 months later, in November 2022. The book is also strange because the founder's character is hard to pin down. SBF is socially awkward and chaotic but described by many as 'the most interesting person they had ever met'. He was driven by his belief in 'effective altruism', but simultaneously deployed unseemly business practices to generate the funds he wished to deploy. Finally, the book is odd because Michael Lewis followed closely, and got to know well, the FTX team in the months leading up to its sudden bankruptcy - a denouement that the author admits he didn't see coming. He was there, at FTX's jungle huts in the Bahamas, at the time of the company's collapse. Going Infinite is therefore not the schadenfreude-laced post-mortem you might expect, but instead reads as a tragicomedy told as much from the inside as the outside.

When McKinsey Comes to Town - Walt Bogdanich & Michael Forsythe (2022)

(Evenlode Reviewer – Ben Armitage)

A fascinating investigation into what 'big consulting' firms do, and the ramifications of large corporations acting upon their advice. The book is well written and largely jargon free, making it easy to digest. It does, however, imply that McKinsey and their ilk are in some part responsible for most of the major catastrophes that have happened since the early 20th century. Whether you agree or not, it is certainly eye-opening to see, through real and well-informed case study, the power that management consultants wield in the world today.

Unreasonable Hospitality – Will Guidara (2022)

(Evenlode Reviewer – Callum McPherson)

I don't typically read management books, but the story of taking over a struggling two-star brasserie to being awarded the best restaurant in the world 11 years later caught my interest. How did Guidara do it? 'Unreasonable hospitality' is his term for giving people more than they expect, for empowering, trusting them and giving them ownership. His team would check and top-up parking meters during dinner, so guests didn't have to worry about them. They surprised a family that had never seen snow



with a sledding trip to Central Park and even filled a private dining room with sand, cocktails and deck chairs for a couple that had missed their holiday.

The key lesson is extending this hospitality to your team and everyone you interact with; the keystone of your success is the people you work with. Amazing things can happen when everyone feels like an owner, regardless of the perceived relevance or importance of their job. The ideas behind 'Unreasonable Hospitality' can be further extended to any industry that offers a service and has made me think about how I approach some of my responsibilities within our business.

History

Hunting the Falcon: Henry VIII, Anne Boleyn and the Marriage That Shook Europe- John Guy and Julia Fox (2023)

(Evenlode Reviewer – Cristina Dyer)

Many books have been written about the tumultuous relationships between Henry VIII and his six wives and you may feel you already know this Tudor drama well. However, 'Hunting the Falcon' is not just a mere retelling of the historical facts, but a well-research study into the complexities of human nature in the face of power and ambition, set against the political backdrop of 16th century Europe.

Rather than portraying Anne as the often-stereotyped temptress, the book depicts her as an ambitious queen, exercising authority in a deeply patriarchal society, and who engages actively in politics. She chose a crowned falcon holding a sceptre as her heraldic insignia, in the misplaced belief that Henry would share his crown with her. The book also traces Henry VIII's transformation from an idealistic young king to England's Stalin - 'a narcissist who saw exercising control as his birthright, a man who never accepted blame for his own actions and always looked for scapegoats'.

The book is ultimately a study on the corrupting influence of absolute power but stands out for its in-depth research and captivating writing style, despite having the difficult job of telling a familiar tale.

Sustainability

Legacy – Dieter Helm (2023)

(Evenlode Reviewer – Hugh Yarrow)

Sir Dieter Helm is Professor of Economic Policy at the University of Oxford. In his latest book, Helm argues that the more proactive we are in making the required changes to our current economic system the less painful the transition will be. For him, a sustainable economy is not just about moving towards net zero and away from the depletion of non-renewable resources. The key test is that we leave the next generation with a set of assets at least as good as they inherited. GDP (which is a non-quality adjusted measure of the flow of economic activity) can't tell you this. Instead, a mindset shift is required towards a 'balance sheet' orientated perspective, that accounts for and measures the health of our 'economic assets'. These include well-invested infrastructure networks, science and



technological know-how, access to high quality healthcare and education, a stable climate and thriving biodiversity.

To achieve this goal, a shift from a consumption to an investment mindset is required. Keynes, writing in 1940, about How to Pay for the War, proposed a similar switch for the war effort. Helm is no Pollyanna though - he is a realist about the challenges and the costs of making the transition. But as he says, it was done then, and it can be done now. If, crucially, we possess the collective will to pull it off.

The Lost Rainforests of Britain – Guy Shrubsole (2023)

(Evenlode Reviewer – Ben Armitage)

When we think of rainforests we may think of South America, Borneo, Central Africa and so on. These are the tropical rainforests that we see on TV, full of vibrant wildlife and ecosystems. We rightly lobby foreign governments to ‘Save the Rainforest’. We may not think as much about Devon, Wales, Cumbria and Scotland, but we probably should give them more attention. Here we find the last fragments of a temperate rainforest that used to cover as much as 20% of the land mass of the British Isles. Whilst perhaps not quite as jam-packed with weird and wonderful flora and fauna as the Amazon, from the perspective of biodiversity and preservation these forests are important, especially to those of us who reside here, and they are nearly all gone. Guy Shrubsole is an activist and campaigner, and this book is an informative, well-researched call to action. The main message is that something must be done to preserve what remains and perhaps restore some of what we’ve lost. As with most environmental problems, the challenges to achieve that are large. However, this book provides an accessible introduction to this ancient, mystical habitat in our own back yard, and hopefully it will inform and inspire enough people of influence to take some action before it is too late.

Sixty Harvests Left – Philip Lymbery (2022)

(Evenlode Reviewer – Ben Peters)

My non-investment non-fiction reading of late has been about some of the challenges facing the natural world. These ultimately have investment-related effects; no business so far devised has transcended planet Earth (even SpaceX is still based here) and there is a growing realisation of the dependencies and impacts that humans have on nature. *Sixty Harvests Left* examines agriculture, first the impacts of industrial scale farming, and then the solutions. In the latter there is hope; it is often said that we have plenty of food to support the global population. Lymbery examines food industrialisation, starting in the UK and moving on to factory animal farming in the US and rainforest clearing for the growing of soy and grazing of cattle. As the head of an organisation called Compassion in World Farming it’s not surprising that he’s not a fan, but this is not a prejudiced view. He has seen first-hand how these operations work, and their impacts on the environment. Lymbery comes across as a pragmatist. He has no issue with people eating meat for example and examines novel forms of protein production without squeamishness. Many of the solutions proposed are not high-tech; crop rotation combined with rearing animals on the land to encourage soil health is pretty



old-fashioned. For this to support the population the consumption of less meat, and focusing on the sustainably reared sort, is required in the author's view. Not revolutionary and perfectly feasible, Lymbery is optimistic for the future.

Other Non-Fiction

We Are Bellingcat – Eliot Higgins & Tom Rachman (2021)

(Evenlode Reviewer – Lily Postlethwaite)

Misinformation and fake news plague society, and for this reason the internet can appear to be a rather bleak place. However, ex-office worker, Eliot Higgins, and his army of online sleuths have built an archive which is an unlikely source of hope. Higgins dubbed the network as “an intelligence agency for the people” and *We Are Bellingcat*, co-written by Higgins himself, gives a detailed account of the techniques involved in open-source research. This manifesto of optimism grips the reader with fascinating examples of the methodology in action, such as the identification of the Salisbury Cathedral tourists - who also happened to be GRU assassins. The name itself originates from a medieval tale called ‘Belling The Cat’, where mice plot how to disarm their enemy; they decide on attaching a bell around her neck. Since 2014 the group’s mission has been to systematically ‘bell’ all the proverbial cats out there, and the resultant, ever-growing archive is a force for good, which will come to be heavily relied upon in years to come. Bellingcat’s collaborative, empirical, and verifiable approach shines light deep into the murky world of conspiracy pushing and disinformation spreading and has assisted in war crime prosecutions, yet the refreshingly humble tone of the book is a happy reminder that the truth really does matter. You just have to know where to look.

Nothing But the Truth – The Secret Barrister (2022)

(Evenlode Reviewer – Ben Armitage)

The Secret Barrister is a real and anonymous junior barrister specialising in criminal law. This is the third book from them, and a very entertaining read it is. A memoir written as a series of short stories, it ranges from schooling, through entry into the profession, pupillage and career progression. The stories told are at times hilarious, entertaining and heart-breaking. The simply written short form stories allow for easy reading, and the outcomes may make you rethink the oft-repeated conclusions screamed from newspaper headlines about soft sentencing without knowing the facts. The book ends with a poignant ‘letter to their 18-year-old self’ which outlines the fundamental issue with the UK criminal justice system. That is, as with many public services, chronic underfunding. Criminal lawyers are woefully underpaid in comparison to their corporate peers, the workload is increasing exponentially to the point where they can’t possibly do a good job, leading many talented people to leave the profession after burnout to go and work in the city. One line in the aforementioned letter sticks out: [in the UK] “Justice collapsed, and nobody noticed”.



Fiction

Little Dorrit – Charles Dickens (1857)

(Evenlode Reviewer – James Knoedler)

Little Dorrit is a classic later Dickens novel with a nice balance of melodrama, some memorable comic characters, and a searching exploration of a system which enforces indefinite imprisonment for minor debt delinquency. For a financial investor, it is truly memorable for two episodes (spoilers coming). The first is the rise and fall of the Ponzi schemer Mr. Merdle. While Dickens never had the good luck to be a financial professional, his portrayal of Merdle is deeply insightful. Merdle is no charismatic glad-hander, but a strange, awkward, and charmless man, yet able to dazzle and delude all London through the magic of ‘social proof’. Many Mr. Merdles have been and gone since the book was published. The second is an unforgettable episode when, one character having bankrupted both himself and another by ‘investments’ in Merdle’s bank, he tries to justify his actions: *“I can prove by figures ... that it ought to have been a good investment. I have gone over it since it failed, every day of my life, and it comes out – regarded as a question of figures – triumphant. The present is not a time or place,”* Mr. Pancks pursued, with a longing glance into his hat, where he kept his calculations, *“for entering upon the figures; but the figures are not to be disputed ... I ought to have been worth three to five thousand pound.”* Again, Dickens never worked in finance, but this is an alarmingly acute portrayal of a fund manager grappling with a position gone wrong.

Tomorrow, and Tomorrow, and Tomorrow – Gabrielle Zevin (2022)

(Evenlode Reviewer – Bethan Rose)

I was waiting for my flight at the airport and although I already had three books packed for my trip, I had to buy this book from the terminal 2 bookshop. I immediately recognised the author’s name - I have only read one of her other books, but it stuck with me over the years having read it as a young teenager. So, if you have or live with a young teen, I’d recommend one of Gabrielle Zevin’s first young adult novels Elsewhere, an interesting alternative view on what could happen when you die. Her latest book, Tomorrow, and Tomorrow, and Tomorrow, has been described as Ready Player One (Ernest Cline) meets Conversations with Friends (Sally Rooney), and I couldn’t have said it better. Despite already liking the author I set a low bar for this book, as it is about video gamers and the gaming world. It is such an easy and interesting book to read, though, if you’re like me and not much of a gamer. It is mostly about love, grief, and friendship but you end up learning so much more, especially about the intricacies of creating a video game. I struggled to put it down for the first three days of my trip and became truly invested in the main characters Sadie, Sam, and Marx.

The Evenlode team

18 December 2023

Please note, these views represent the opinions of the Evenlode Team as of 18 December 2023 and do not constitute investment advice. Evenlode Investment Management Limited is authorised and regulated by the Financial Conduct Authority, No. 767844.

