



(BRK.A - \$754,625 - NYSE)
 (BRK.B - 501.12 - ")



Berkshire Hathaway Inc. (BRK'A - \$754,625 - NYSE)

Year	B/V Per "A"	P/B	Dividend: None	Current Return: Nil
2027P	\$575,200	1.3x	Common Shares "A": 0.5 billion (a)	
2026P	530,300	1.4	" " "B": 1.4 " (b)	
2025E	487,000	1.5		
2024A	451,501	1.6	52-Week Range "A" Shares: \$812,855 - \$660,640	

(a) One Class "A" Share can be converted into 1,500 "B" Shares. Class "A" Shares have 10,000 votes per share.

(b) Warren Buffett owns 198,117 of "A" Shares and 1,144 "B" Shares.

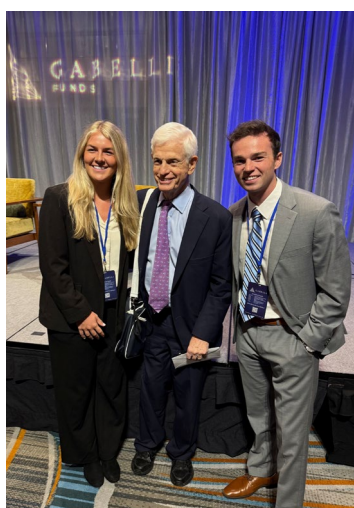
COMPANY OVERVIEW

Berkshire Hathaway Inc., based in Omaha, NE is a holding company for a diverse group of operating subsidiaries including insurance, freight rail transportation, utilities and energy, finance, services and retailing. The subsidiaries operate autonomously, while investment and capital allocation decisions are managed by Warren Buffett (95) and Greg Abel (63), with support from investment managers Todd Combs (54) and Ted Weschler (63). Vice-Chairman, Ajit Jain (74) oversees risk capital for the insurance operations. As of December 31, 2024, since 1965, the firm had an annual compounded gain of 19.9%.

Our Gabelli research team travels to Omaha each year for the Berkshire Hathaway Annual Shareholder Meeting. This is a unique corporate event where an estimated 40,000+ visitors come to hear from the corporate leaders including Warren Buffett. When asked before one of the events about his legacy, Mr. Buffett responded that he wanted to be most remembered for his teaching. Indeed, the Berkshire Hathaway meeting has served as one of the most valuable financial classrooms and certainly the best priced. The cost of admission only requires partial ownership in Berkshire stock, which has generated significant returns over time.

Since our first visit, we have witnessed a significant increase in global attendance, and the program expand from just closed-local viewership to full internet broadcast. The meeting leadership structure has evolved from the original duo of Charlie Munger and Warren Buffett to more recent inclusion of future CEO Greg Abel and supported by Ajit Jain. The question format has also changed from an array of panelists to just the audience and Beck Quick alternating on asking questions.

Over the years, we have put together an annual report ("Gabelli Reflections") from the meeting. Given the tenure of following the company, we thought a select compilation of that feedback might be helpful to fellow followers. This paper provides highlights from those reports. We look forward to the next meeting on May 2, 2026.



Mario Gabelli, Gabelli Funds

Source: Gabelli Funds





Reflections from the Past Decade + of Berkshire Hathaway Meetings

2013

KEY TAKEAWAYS

- Dodd-Frank and other regulations have not impacted its insurance business; however, bank and other financial related investment companies (M&T Bank, US Bancorp, and Wells Fargo) have been impacted through higher capital reserve ratios, which should lower their returns on equity going forward. The banking system is very strong currently; perhaps the best in 25 years, so Mr. Buffett is comfortable with his bank investments. Mr. Munger was less optimistic on the banking system and cautioned that it remains an issue when “massive” derivative books can still be included on balance sheets with common depositors.
- Insurance underwriting remains a strength for the firm. GEICO, its auto insurance subsidiary, continues to take share. WB sighted one example of how GEICO’s intrinsic value may be understated. Each additional policy holder is worth \$1,500 and assuming the company can generate a million new policies, the growth could add over \$1 billion of intrinsic value to the organization, without a similar impact to book value. Management would like to grow its commercial insurance businesses, most likely through organic means. Potential acquisitions would need to be available for under book value (alternative cost to build) and have a demonstrated history of culture similar to Berkshire’s.
- The railroad business (BNSF) is doing well as highlighted by ~3.0% growth, YoY, in cars/units handled, vs. the other competitors at 0.4% growth. A key driver of this carload growth has been the movement of oil around the country. Berkshire has been at a unique advantage of having well discovery (Bakken Shale, for instance) near its overall routes, therefore making the cost of transportation desirable to production companies. There is also a common misconception that oil moves slower along rail than pipeline, when in fact, it moves quite quickly.
- Mr. Bernanke and the Fed’s actions have been appropriate given the issues created by the financial crisis. However, the ever-increasing size of the balance sheet at ~\$3.4 trillion is worrisome. The unprecedented debt remains a focus for Buffett, who notes that “it certainly has the potential for being a little inflationary. The Fed has wanted a little inflation, which would help nominal GDP. When the buying ends, it will be like a shot around the world. People re-evaluate really fast in the markets.” Mr. Munger added that Japan’s stagnant growth for twenty years had been unpredictable and surprising to the very economists who are relied upon for predictions and government economic guidance. “I worry about a lot of things. I suspect it will be harder going forward.”

QUOTES FROM THE MEETING

In addition to the financial and economic commentary that is standard for the annual meeting, the two leaders are known for their quick-witted and inspirational comments.

WARREN BUFFETT

- On picking Mr. Combs and Mr. Weschler... “we looked for a record we could both believe and understand.”
- The airline industry – “It’s been a death trap for investors ever since Orville took off.”
- “I have every bit of the intensity, though it’s not manifested in the same way. I love thinking about Berkshire, about its investments, about its businesses. It’s a part of me.”
- Explanation of Berkshire to a 13-year-old girl... “We like to stay sane, while others go crazy. That’s a competitive advantage.”

CHARLIE MUNGER

- Short selling – “We don’t like trading agony for money.”

GABELLI COMMENTARY

The annual meeting continues to be an important and growing aspect of Berkshire culture. While the tone and humor may vary, the company's cultural tenets and unique lessons have remained consistent.

Despite investors' desires to have WB and CM live forever, the terminal reality continues to be a focus both internally and externally by stockholders. Over the last several years, the addition of Mr. Combs and Mr. Weschler has helped solidify the investment bench, while the early results demonstrate WB's penchant for selecting talent. In response to successor questions, WB reiterated the clear, but confidential plan in place with the Board's approval. WB also assuaged investor concerns about potential changes to the corporate operating framework with this answer: "my successor won't do things identically, but things won't dramatically change."

Going forward, we remain confident in the foundation that Mr. Buffett and his operating managers have built from Omaha. No doubt there is no replacement for Mr. Buffett, yet his legacy presence is likely to ensure future positive results from one of the world's most unique companies. Mr. Munger summed it best: "We're slowing down, but it is still very pleasant."

2014

KEY TAKEAWAYS

- Not surprising, the shareholder proposal to initiate a dividend was voted down by roughly 97% of the Class B holders including Mr. Buffett, who stated that he "stuffed the ballot box."
- Intrinsic value estimates are impacted by accounting standards which in some cases may underestimate true net worth. For instance, the carrying value for GEICO is \$1 billion over tangible assets. However, WB suggested that, given its client base and market share, the company could be valued at more than \$20 billion beyond tangible assets. Additionally, the \$77 billion insurance float is carried as a liability and subtracted from net worth, when the long-time ability to generate investment results is clearly an asset. Net/net, BRK's intrinsic value is much higher than its stated book value, which Mr. Buffett uses to measure annual results. The firm uses a current threshold of 120% of book value to repurchase shares, with the notion that this is a level desirable below estimated intrinsic value. In terms of one aspect of financial engineering, the company has no plans to IPO any of its units.
- Berkshire partnered with private equity firm 3G Capital last year to purchase H.J. Heinz Company (closed in June). WB commented that the principals are "marvelous partners, and more than fair with us" and see more opportunities to partner with 3G in the future. However respectful WB is of 3G in terms of running businesses, their management techniques differ from Berkshire's and would not "blend well."
- With \$48 billion of cash "dry powder," (excluding significant investments in liquid investment securities) the firm is well positioned to make new investments and acquisitions (announced a \$3 billion investment in a Canada energy firm over the weekend). Given the capital size, elephant hunting continues to be a priority, but only at the right price. The firm now has significant internal businesses to reinvest in as well. There is no pressure to put the capital to work. CM: "Our acquisitions were irregular in the past, and they will be irregular in the future. Our energy and train business do offer recurring demand for future capital and that is positive for shareholders."
- Berkshire may stand out in its success relative to other conglomerates. Some of those firms were run with the idea of rolling up assets with cheaper multiples than issued shares. One company mentioned by Mr. Buffett was Tyco and that company had some issues several years ago. On the positive side, the Dow Jones Index is a compilation of companies that have generated positive returns over the last fifty years with a makeup of core American businesses. Berkshire is similar with respect to many of those businesses, but with a single owner that can strategically allocate capital, which is an important strategic aspect to the firm. CM: "We have a couple of differences between us and other failed conglomerates. We can reinvest in the insurance business. We are more like the Mellon Brothers – they made smart, minority investments."

QUOTES FROM THE MEETING

WARREN BUFFETT

- “If Charlie and I wrote down our estimate of value for Berkshire, we would be within 5% of each other but never say as close as 1%.”
- “I have been on a compensation committee just once. They don’t want Dobermans – they look for Chihuahuas with their tails wagging.”
- On cost of capital – “The real test – does the capital we retain make more than the value we put in – we will keep doing it. We think we can evaluate businesses and we have capital. We are consistently evaluating our opportunity cost.”
- “Charlie is my canary in the coal mine. He just turned 90 and I am impressed by how he is handling middle age.”
- On what stock to put 100% of your net worth into – “Great question, but I am not going to give you an answer.” (Charlie: “I think you have given the right answer.”)
- “If you read about either one of us buying a sports team, it may be time to talk about a successor.”

CHARLIE MUNGER

- “We don’t ever want to get the stock over intrinsic value to issue stock. We are not in the game of ballooning our stock. Over the long-term our stock will work pretty well.”
- On being consistent with acquisitions – “We behave the way we do because we like it. We are not likely to change.”
- “The phrase ‘cost of capital’ means silly things. Especially those that teach it in business school.”
- “Warren is peculiar about how he gives money to his family, and he is entitled to do so in any way he wants to. WB is really a meritocrat – he wants his money to go back to the civilization from which it was earned. I like being associated with him.”
- On copying Berkshire Hathaway – “I think it is too hard to do... It means you’ll be dead before you’re finished.”
- “We are very lucky to have these businesses to employ capital at such nice returns – we are way better off now. It is a blessing. We love the opportunity to invest in our businesses.”

GABELLI COMMENTARY

This meeting focused on the trailing 5-year record which – for the first time in the company’s history – did not exceed the stated performance benchmark of the S&P 500 Index. Mr. Buffett alluded to this potential at last year’s meeting and made essentially no defense this year, stating that it will be difficult to eclipse the market that has been as strong as the previous five years. Mr. Munger did point out Berkshire’s embedded challenge of using after-tax gains for comparisons, while Mr. Buffett previously highlighted in the firm’s annual report that some gains in the insurance business would not be fairly depicted given the nature of GAAP accounting. Regardless, the duo seemed unfazed by the near-term performance (similar to the late 90s) cosmetics and undeterred in its outlook to reward shareholders with superior returns. We are reminded by Mr. Buffett’s comments about 3G Capital, which seem introspective. “They’re [3G Capital] very smart, they’re very focused. They’re very determined. They’re never satisfied.”

With the 50th meeting in sight and another year behind them, both Mr. Buffett and Mr. Munger showed no signs of changing intensity (or considering perhaps healthier foods than Cherry Coke and See’s Candies Peanut Brittle!). Clearly their spirit remains extraordinary and unflappable despite the many challenges identified during the weekend. If history is any guide to future operating execution, then investors should continue to look to partner (through their share ownership) with this unique and entrepreneurial organization.

2015

KEY TAKEAWAYS

- Clayton Homes, which provides housing to middle and low-income families, was the subject for a Seattle-based journal article on predatory lending, to which Mr. Buffett took exception. The modular homes are typically priced around \$69,500 and have customers that may have FICO scores lower than 650. On average, approximately 3% of the loans default due to some financial hardship such as loss of employment. While the firm could target a zero percent default rate, it would mean that many potential homeowners would not be able to participate. Therefore, the firm believes it is offering an important service in spite of some disappointments related to foreclosure.
- Van Tuyl and the dealership business: They are excited about the recent acquisition and want to do more in the dealership space; however, future tuck-ins will be around established, strong local franchises with contributory cultures. The focus will not be on just building scale because WB sees limited synergies. Overall, the US dealership system has worked well in serving clients, producing acceptable returns and remaining resilient to change.
- Regarding leverage – the company would be dramatically larger today if it had employed more leverage in the past. With interest rates so low today, it makes sense to consider the cost of debt with any opportunity, and should a large one present itself, the managers would have to consider it. And although it would be fine to have had a much larger BH, the increased leverage factor would have meant more sleepless nights for the managers.
- The volatile energy sector has brought more attention to the utility space and the need for renewable inputs. Newly renamed Berkshire Hathaway Energy (formerly MidAmerican Energy Holdings) has \$18 billion of assets dedicated to renewables. We are currently working on a tenth project in Iowa and expect to have 58% of energy coming from wind power by 2016. No other utility company is better positioned in solar and wind than BHE.

QUOTES FROM THE MEETING

WARREN BUFFETT

- “It is a very simple decision to repurchase shares. Can you repurchase them for less than intrinsic value?”
- “American Express has an incredible history of adapting.”
- “We like to have the cash to be opportunistic. We virtually have no debt so there isn’t much to pay off.”
- “1.9 billion servings of Coca Cola products served in the world a day. Twenty years from now there will be more cases consumed than today. I have consumed about one-third of my calories from Coca Cola.”
- “Culture is very important. It takes a long time to become solid. You must reward good culture and punish bad. Some companies cannot be changed. We have 340,000 people working for Berkshire – we have 12, 50 maybe 100 there are not doing something with the culture, and we need to do something about it.”
- “We have never done an acquisition or not done one due to macro factors. It just doesn’t come up. If we buy a business to hold for the next 100 years it doesn’t matter.”
- “A good defense is to have a low-cost operation.”
- “On the brands – Coca Cola will sell more than last year. Strong brands are really potent. The brand has to stand for something in the consumer’s mind. Brands have to be nourished. The great brands survive.”

CHARLIE MUNGER

- About American Express – “I’d prefer it if they had a little less competition, but that’s life.”
- “We made some of our luck by being curious.”
- “It was helpful to come from a background that made it easy to identify with admirable people.”
- “Sugar is an enormously important substance. It prevents hardening of the arteries. If I die earlier, it would prevent me from spending a few months in an old age home drooling on myself.”
- “The one thing that has worked best of all. We were dissatisfied with what we knew. We always keep learning and that is what has worked.”
- Stock markets and economics: “We have failed to predict now – why would anyone believe we can predict the future?”
- “Any company with an economist has one employee too many.”
- “Henry (Singleton) was a lot smarter than Warren and me. Warren did better at investing because he really worked at it. Henry used very clever incentives on all executives. The culture of performance was quite strong.”
- “China has a great history of entrepreneurial spirit, and they also like to gamble. I think China should think more like value investors than speculators. I think China should follow Berkshire Hathaway.”
- “Value investing will never go out of style. Who doesn’t want value?”

GABELLI COMMENTARY

While financial engineering (as opposed to spin-offs of Berkshire businesses) remains an important aspect of the investment culture, comments about activism were less enthusiastic. “With all of the money flowing into activist funds, many of the investors are really reaching for targets. I think that the market value of Berkshire will most likely prevent meaningful activism.” At the same time, the pair commented on Henry Singleton who had generated a significant track record of acquisitions from the 1960s-1980s as a part of the Teledyne Corporation.

Their respect for his capital allocation and operations was shared by Charlie Munger. “Henry was a lot smarter than Warren and me. Warren did better at investing because he really worked at it. Henry used very clever incentives on all executives.” Ironically, in the same year that he passed away (1999), Teledyne was split into three different companies.

Of course, one of the most controversial debates from the annual meeting was related to sugar. In sweet harmony, the duo defended the popular Coca Cola brand while predicting the continued increase in global consumption of its products. More interesting was Mr. Buffett’s own admission that one-third of all his lifetime calories consumed were from Coca Cola. Although the audience showed little evidence of being convinced about the merits of sugar intake, one point was reinforced – that Buffet’s personal habits are an outlier and not representative of the general population. On the contrary, those shareholders looking to the meeting for the complete investing truth were disappointed. “The one thing that has worked best of all. We were dissatisfied with what we knew. We always keep learning and that is what has worked.”

Already next year is afoot, and as the operating businesses are expected to grow, the same is expected for the Berkshire fan base (44,000+ this year) and attendance next year. Despite the diversity of ages, investment knowledge, and professional backgrounds, the shareholder base is reflective of a unique entrepreneurial culture – one that, as Charlie Munger stated, “come from backgrounds that make it easy to identify with admirable people.” And maybe next year, the economists will come for a lesson on predicting the future.

KEY TAKEAWAYS

- In recent years, Berkshire has acquired more capital-intensive companies, a divergence from the strategy communicated in the 1980 shareholder letter. “Our acquisition preferences run toward businesses that generate cash, not those that consume it. As inflation intensifies, more and more companies find that they must spend all funds they generate internally just to maintain their existing physical volume of business. However attractive the earnings numbers, we remain leery of businesses that never seem able to convert such pretty numbers into no strings-attached cash.” Today Berkshire is faced with a “problem of prosperity” or the challenge to deploy its significant cash flow. The management sees big opportunities at BNSF and Berkshire Energy to deploy capital, with nice returns but not extraordinary ones. In earlier years, the company benefited from a “double-barreled” approach – buying companies that could grow and didn’t need a lot of capital. See’s Candies has been a strong example of a history of independent growth while returning significant cash to the parent for re-deployment.
- Insurance – overall low interest rates present a challenge for the industry given that profitability is driven by returns from float. While Berkshire is feeling the impact, it is in a better position than its competitors because of its ability to source many different kinds of opportunities for its capital. As per reinsurance, Mr. Buffett explained that it has sold down investments in Munich Re and Swiss Re, a reflection of the tempered outlook for that industry, which is being impacted by an imbalance of increased supply of capital (from sources such as hedge funds) and flat demand. Negative interest rates in Europe do not help the outlook for investment returns as well.
- Activism – the Oracle is less concerned about the potential to break up the company after he is gone. For one, management could buy back a significant amount of the company given its ample cash and debt ability. Second, the embedded operating and investment culture will remain intact, which should discourage potential activists who also will be less impactful due to the significant size of the capitalization.
- Berkshire has made some recent investments in businesses that derive revenue from commodities. However, the duo “haven’t the faintest idea what the long-term price of oil” will be. Investment decisions are made on a myriad of factors and not just on an outlook for commodities.
- Eventually, there will be a management change after non-executive chairman Howard Buffett. However, consistent with previous answers on succession, Mr. Buffett is not worried about cultural change at the firm. Berkshire has a unique environment that attracts certain leaders and that is not likely to change. “The chances of going off the rails in terms of culture are very slight.”
- The threshold for buybacks is 1.2x book value. The share price has not presented a real opportunity to repurchase shares though. He is comfortable at that repurchase level and sees no point in returning capital to shareholders, given still an ability to find good investments. In the first quarter, the company closed on \$37 billion acquisition, Precision Cast Parts.
- Berkshire has made mistakes with past acquisitions. The mistakes have been around future economic industry dynamics rather than issues that would have been related to due diligence. None of the bad deals would have been “cured” with having taken longer to reach a decision on them.
- American Express remains a top holding and is likely to remain that way. Portfolio changes are not made simply when business economics change a little bit. The key is when they have changed significantly. American Express’s business model has been challenged because it has an attractive model. Even if it is slightly less attractive, it is still a good business to own.

QUOTES FROM THE MEETING

WARREN BUFFETT

- “If you have a choice of marrying two different wealthy men, always choose the older one.”
- “Charlie and I have finally decided to enter the 21st Century.”
- “We promise to consume enough Coke, See’s fudge and See’s peanut brittle to satisfy the weekly caloric needs of an NFL lineman.”
- “What Amazon has accomplished has been amazing. Hugely powerful trend that you mentioned. We are not going to out Bezos, Bezos. Amazon is a big, big force.”
- “I like to eat fudge and See’s and I am a very happy person.”
- “Charlie is a lawyer. I have thought about the competition. We have a lot of competitors. We are pretty tough ourselves. Recognizing reality is important.”
- Valeant – “The business model is flawed.”

CHARLIE MUNGER

- “The world has gotten harder. We have gotten pretty good at finding the superior managers as much as we were picking good companies.”
- “I don’t regret I made money or became famous.”
- “GEICO has quintupled its market share. I don’t think we should worry about them because one competitor had a good quarter.”
- “We failed so thoroughly in retail when we were young that we avoided some other parts.”
- “We are doing way more than our share of shifting to renewables. The people that worry about climate change don’t have my vote.”
- “Valeant was a sewer and those that helped create it deserve all they got.”
- “Microeconomics is what we do, macro is what we have to put up with.”
- Berkshire tries to “avoid what is always the worst anchoring effect, which is our previous conclusions.”
- “Everyone is tired... except for the two senior citizens doing all the work on stage.”
- “If you see the world accurately, you think it’s humorous because it’s ridiculous.”
- “Financial efficiency in higher education – you are howling at the wind.”

GABELLI COMMENTARY

“Plus ça change, plus c’est la même chose.” Indeed the “more things change, the more they stay the same” at Berkshire. Another year of new companies, different corporate communications and earnings results – yet the 51st marked another annual day of consistent dedication to the competitive, cultural aspects that make Berkshire Hathaway unique among the great American entrepreneurial companies. For the first time, Berkshire broadcast its annual meeting and significantly increased its potential viewership beyond the nearly 40,000 who previously attended in a closed audience in Omaha. Translating active Q&A into Mandarin only demonstrated that the unique financial structure and business attitudes should travel well. Just when you think the aged duo might be constrained in expanding their effectiveness, they reach another level – globally. “Everyone is tired... except the two senior citizens doing all the work on stage.”

Another year passes and one closer step to management changes. Mr. Buffett stated that there are over 10,000 men in the country that are over the age of 100. Certainly, enough time to have another ten-year wager. The audience chose to stay away from previously answered management succession plans but still questioned whether the long-term management culture will endure, resisting challenges from activists, breaking up the company or other financial engineering. Mr. Buffett remained confident in the outlook, reiterating his confidence in his son Howard Buffett, as well as in leading managers Ajit Jain and Greg Abel.

Capital allocation has changed over time. More recently, the company has pursued major acquisitions that have higher capital intensity (Precision Cast Parts). Part of this change represents a “negative” from the firm’s prosperity or the narrowing scope of finding bigger, material impacting quality companies at fair prices. However, changing the free cash flow dynamics, attitudes about the importance of management remain consistent with several special mentions about CEO, Mr. Mark Donegan of Precision Cast Parts. Cash continues to build through operating flows and increases in its insurance float. Additionally, some investment realizations this year will also increase the available capital.

2017

KEY TAKEAWAYS

- On capital allocation: currently deployable cash is about \$90bn. Admittedly, WB has struggled to put significant capital to work due to several factors, including scale opportunity set, competition from private equity and less favorable valuations. Free cash flow generation of over \$20bn annually will also add to the burden of deploying capital going forward. “I have more assigned capital than I can handle.”
- Due to capital accumulation and the harsh deployment environment, WB mentioned that he could be more open to paying a dividend, an action once considered inconceivable. “When the time comes – and it could come reasonably soon, even while I’m around... and at that time (don’t think we can allocate the capital into things we like) that we make a decision, it might include both, but it could be repurchases, it could be dividends.” He later exclaimed he would have a tough time telling shareholders in a few years that it made sense to hold \$150bn of cash.
- Trump’s new tax reforms could affect Berkshire in several ways. In the utility businesses, the consumers will benefit from lower pricing. On the investment side, the firm has significant deferred tax liabilities, which would be lowered with a drop in the corporate tax rate. A lower liability would help boost book value. In anticipation of lower future corporate rates, the firm may look to realize less investment gains this year.
- Technology stocks have been a large focus. First, the investors recently sold one-third of the IBM stake. The firm started buying six years ago, but the business has not done as well as expected. Apple is different in that it is a consumer products business. WB remains optimistic about the investment and Apple’s ability to generate innovative products. Forgoing investment in Google many years ago was admittedly a mistake. WB and CM had met with the founders originally and understood the competitive aspects of the business because GEICO had been employing the technology for advertising.
- BH has new investments in the major American airline companies. In the past, the industry was impacted by price competition and labor costs. Today, the industry is acting more rationally operating at 80% of capacity and expected to increase that over the next 5-10 years. Invested returns on capital are currently high. The outlook for labor negotiations is more stable. All companies are buying back stock, which will enhance returns going forward. By previous example, the railroads were terrible businesses for a long time, but they have since turned into good businesses.
- Technology disruption remains a concern and will most likely impact some of Berkshire’s major businesses. Specifically, autonomous driving cars could hurt the auto insurance business, while driverless trucks could be a threat to BNSF.
- Recently, the insurance segment was paid \$10.2bn of premiums to manage potential liabilities of \$20bn. Berkshire has done a fair amount of these deals in the past, but this is the largest. Historically, overall results have been “ok.” With interest rates very low, the incremental \$10bn will be earning very little. BH insurance is uniquely positioned for these deals given its experience with them, significant capital base, and head manager Ajit Jain.

QUOTES FROM THE MEETING

WARREN BUFFETT:

- “That’s Charlie, I am Warren. You can tell us apart because he can hear and I can see.”
- “I drink five cokes per day.”
- “If you live 986 years you will run out of money.”
- “In certain cases, you can actually learn a lot by asking questions.”
- “If the Board (BH) hires a compensation consultant after I go, I will come back mad.”
- “We could not replace him (Ajit Jain). We have the world’s best property casualty business.”
- “In only two years (John Bogle is 88), you’ll be eligible for an executive position at Berkshire.”
- “If you care about getting the highest price for your business, we’re not a good call.”

CHARLIE MUNGER:

- “We have a culture of trust. We have less trouble because of that.”
- “It is true – we were young and ignorant then. If they (See’s) had asked for a higher price we would have passed. We get a lot of credit. We were lucky to buy businesses cheap. Our early stupidity helped us.”
- “We avoided the tech stocks because we did not have an advantage. What was our biggest mistake – it was with Google.”
- “We blew Walmart too.”
- “It would certainly be unpleasant if we were in the department store business.”

GABELLI COMMENTARY

Through decades of capital allocation and American growth, Berkshire Hathaway has grown to over a \$400 billion capitalization. Going forward with some normalization of interest rates, Mr. Buffett believes the firm can compound intrinsic value at 10% on an annual basis after achieving 19% annual returns in book value appreciation from 1965 to 2016. CM: “No doubt – with our size it will be harder to generate returns. We keep saying that and it is coming true. A lot of people are trying to be brilliant, and we are just trying to be rational.”

Despite its size and embedded culture, the corporate duo still seems remarkably flexible in managing and adapting to the dynamic world. (CM: “All kinds of things we have done in the last ten years we would not have done twenty years ago. We would never have bought Precision Cast Parts if it had come along ten years earlier.”) In the past few years, the firm has made investments in major technology companies (while shedding some long-term holdings due to technological disruption) and now most recently into airlines (previous holding US Air went bankrupt many times). Partnering with 3G has enabled the firm to benefit from industry consolidation and differentiated management strategies. Finally, from this meeting, Warren suggested a dividend maybe on the near-term horizon.

While the moat on the large conglomerate continues to be an area of pride and promotion, competitive threats to the company’s businesses are more relevant than ever. Technological disruption is expected to intensify and impact many areas of business, including distribution (Amazon), car insurance, and railroads, among others. The significant cash balance, once considered a sleep aid, has come under more scrutiny opening the door for a potential dividend policy. Low interest rates, declining market volatility and higher than “fair” valuations have also diminished the current opportunity set for large acquisitions.

Comments on management succession provided little incremental insight. The existing confidential plan remains in place. Speculated leading candidates continue to include current Berkshire managers, Greg Abel of Berkshire Energy, Ajit Jain of Berkshire Insurance and Matt Rose of BNSF. One question centered on compensation for the next chief – Mr. Buffett would like to see someone who is already wealthy and who would continue a culture of below-market compensation (Mr. Buffett and Mr. Munger each make \$100k annually). And in joking, though true, fashion, the duo stated they have no interest in seeing the board use outside help for determining the compensation: “if the board hires a compensation consultant after I go, I will come back mad” (WB). Humor aside, it seems logical that any future replacement would be inspired by Mr. Buffett’s path of unique annual compensation, future donation of all nonfamily appreciated holdings, and a frugal lifestyle of \$3.17 (bull market!) breakfast sandwiches.

At the 2014 meeting, Mr. Buffett, as part of his “proprietary” content, provided a video of a duet with notable artist Paul Anka. As part of the highlights for the movie this year, he once again played the song for investors. Given his particular and acute choice of content it was perhaps worth noting. The original lyrics to “My Way” are famous for their emotional engagement about living a full life, regretting little, facing challenges and living life on one’s own terms. Of course, the updated “Berkshire” song had to espouse Mr. Buffett’s humor. “On Charlie Munger... Who needs the gym, when I am next to him, I feel younger. At Berkshire Hathaway business is fun... To our owners so devout.”

The 2017 annual meeting marks another year (to add to the 50+ count) of consistent culture reinforcement and investment learning. The return expectations may be flattening, but the outlook remains positive for this unique set of businesses and talented group of corporate managers. No doubt Warren Buffett has done it his (Berkshire) way and that has made all the difference. So please skip the broccoli and head to the DQ – shareholders have 90bn reasons to encourage you.

2018

KEY TAKEAWAYS

- Buy and Hold investing in America works. WB pointed out that investing \$10,000 in the equivalent S&P 500 Index in 1942 would have produced a \$51 million balance today. Essentially holding a “piece of American business and never listening to financial pundits” would have generated significant gains. WB: “We have operated in the greatest tailwind in history – you couldn’t fail at it.” On the contrary, WB reiterated his distaste for cryptocurrencies and objected to owning “non-productive assets” which he believes rely solely on the faith of the next incremental buyer to generate returns. WB: “Instead of using the \$10,000 – you put it in gold – it would be worth about \$400,000 today.” With the American business strategy “you would have over 100,000x more.”
- On capital allocation: at approximately \$400 million per week in new deployable cash flow, the firm remains “challenged” to find scaled, great opportunities. In 1Q, the firm was able to reduce its significant cash position due to equity investments including increasing its stake in Apple by ~75 million shares. At this point, talk of a dividend continues to remain off the table although repurchasing the firm’s shares remains a strong possibility assuming they drop below the stated threshold of 120% of book value.
- Technology investing: While selling the balance of IBM, the investors increased the position in Apple to ~240 million shares (~\$45 billion in total) and exclaimed colorfully that they would like to own the whole company. At ~5% of outstanding shares, the percentage ownership is likely to increase 1-2% as Apple continues its significant repurchase program (\$100 billion announced most recently). Although categorized as a “tech” company, WB likes the firm’s sticky client base, capital allocation history and leverage to global growth. Additionally, given the firm’s size, it has enabled Berkshire to put a significant amount of capital to work. Amazon, Google and Microsoft were also highlighted as big investing misses. Microsoft had some unique conflict issues though related to Bill Gates’ Board affiliation as well as personal friendship with Warren. The duo first saw the attractive business model of Google several years ago when GEICO “paid a lot of money for services costing Google nothing.” CM: “Been at Google – it looks like a kindergarten – a very rich kindergarten.” Jeff Bezos and Amazon have long been admired for the business and stock accomplishments – “Amazon was a miracle in what they accomplished – we don’t bet on miracles.” Lastly, Charlie pointed out the importance of Ted and Todd to compensate for some of their (WB & CM) naiveté – “lucky to have them, as a lot of the ignorance of the older generation needs removal.”
- Wells Fargo: Despite several years of issues with clients, the duo remains confident in the long-term outlook for this bank investment. Clearly, they had the wrong incentive system, but more importantly committed a larger error in not surfacing the damage earlier. At this point, they have confidence in CEO Tim Sloan to restore its growth trajectory and believe the shares could outperform peers going forward given the lessons learned and better positioning of the client platform. In 1964, Berkshire bought shares in American Express after the “Salad Oil Scandal.” WB & CM also bought half of GEICO after an issue with aggressive reserve accounting. Both firms recovered nicely and have generated significant returns for Berkshire. They expect the same for the stagecoach bank WB: “GEICO was a lot more stupid than Wells Fargo.”

- Will Berkshire remain attractive as an acquirer? Although the firm has seen some time since announcing the last major acquisition, WB and CM remain confident in the firm's attractiveness to potential sellers both now and in the future under a different set of leaders. WB: "The reputation belongs to Berkshire and not on me." Even with lesser activity at corporate, action at the subsidiaries continues – WB: "It's already happening with subsidiaries or managers getting the calls instead of Charlie and me."

GABELLI COMMENTARY

When asked before the event this year about his legacy, Mr. Buffett responded that he wanted to be most remembered for his teaching. Indeed, the Berkshire Hathaway meeting has served as one of the valuable financial classrooms and certainly the best priced. The price of admission only requires partial ownership in Berkshire stock, which has generated significant returns over time. The 2018 session did not disappoint. In fact, both the investment team members seemed as sharp as ever.

The subject of index investing came across from several different angles. First, one attendee asked why index funds were not offered in some Berkshire subsidiary company 401(k) plans. Second, Mr. Buffett spent the first part of the meeting session discussing returns from the S&P 500 Index from 1942 and how \$10,000 grew into \$51 million today through just a simple buy and hold approach to American Business. Lastly, Ted and Todd, since inception, have managed to achieve comparable results to the S&P 500 Index while generating some incentive fees. Managing \$13 billion each is now a more challenging task than the original allocations, but in fact they have managed to outperform WB over time. The team has also added "alpha" from their leadership and "consultative" services to the corporate headquarters.

As Berkshire's investment style continues to evolve, shareholders may view recent allocations as ironic given Buffet's long-standing caution on technology. Prior to the meeting, Warren disclosed purchasing ~75 million shares of Apple propelling the firm's position to ~240 million, or ~\$45 billion, easily eclipsing long time positions in Wells Fargo (~\$25 billion), Coca Cola (~\$17 billion) and American Express (~\$15 billion). In fact, even at ~5% of the outstanding, WB could see the position increasing further. As one question highlighted, the appreciation with Apple as one of the leading technology companies represents a newer contradiction with historic annual meeting comments on technology investments. In the last few years, the duo has confessed their appreciation for other major technological companies such as Google and IBM (a position that was eliminated most recently).

Most recently, Berkshire has been perhaps "passively" involved with Knauf, a private company pursuing a hostile buyout of USG, a ~\$2 billion holding currently. Berkshire offered an option to Knauf to sell its stake above \$40 per share if terms could be reached between the private company and USG. After a long investment history with USG including two bankruptcies, a buyout would enable Berkshire to crystalize the capital without impacting the firm's buy and hold ethos.

Despite generally insisting on deferring capital gains to aid compounded returns, management stated that they had made sales over the last year in long-term positions Wells Fargo and Phillips 66. They made the sales in order to stay below 10% regulatory thresholds. However, Berkshire reiterated its affinity for American Express and is content to see its ownership increase from the current 17%, due to company repurchases.

In the payments space, a question was asked about holding a major position in American Express, but not enough of competitors MasterCard and Visa, which have been much stronger performers over the last few years. American Express continues to benefit from faster growth in international markets. Although MasterCard and Visa are strong businesses, they were selected by one of the younger managers at Berkshire. Due to this, the allocations were constrained in size and only a small portion of the overall Berkshire portfolio. Mr. Munger did call out that there was a small "cloud" of potential disruption in the payments space given competition and the fast pace of innovation.

Mr. Buffett flexed his 87-year-old competitive muscles after Carol Loomis asked a question about whether having given up operational duties to Greg Abel and Ajit Jain and allocating more capital to Ted and Todd meant that he was "semiretired." In a charming manner, he quickly reminded the audience that even with the reputable amount of \$25 billion between Ted and Todd, he still oversaw approximately \$300 billion, broken down in several discrete buckets which he rattled off with reliable clarity.

The Berkshire education is for the inspired. “It’s (investing) not complicated but is disciplined and does not require a high IQ. The fundamentals are important, so is the understanding accounting and talking to and thinking like a consumer, but being a good investor doesn’t require advanced learning.” Mr. Buffett’s and Mr. Munger’s teaching style though is more than merely laying out the substance in a direct method of traditional lecture – it is about creating a personal investor roadmap to achieve understanding. Even with the most remote examples, Mr. Buffett is able to weave in familiar core values like entrepreneurial thinking, independent leadership, frugality and integrity. WB: “If you run into a few great teachers, and they change the way you think, you are lucky. Like Charlie is to me as a great teacher.” It is amazing though that even after a 21% CAGR since 1965 some remain unconvinced.

“Tell me and I forget. Teach me and I remember. Involve me and I learn.” – Ben Franklin. After achieving record attendance (42,000+) during the 50th anniversary a few years ago, participation dropped in perhaps an initial reaction to the Yahoo Finance broadcast. This year the participation was believed to have reached a record recovering from the initial change. Questions about China relations, youth leadership and global mindsets demonstrate the power of the corporate brand to be more recognized by other segments and energized through the online broadcast. Not bad for individuals in semi-retirement, who distaste crypto-currency and who think the idea of fun is quiet time with a financial book.

Reflections from the Past Decade + of Berkshire Meetings

Berkshire Style



Source: dealbook.nytimes.com

Reflections from the 2013 Annual Meeting

(BRK.A – \$166,273 – NYSE)
(BRK.B – \$110.94 – “ ”)

The Band Plays On



Source: Rationahawk.com

Reflections from the 2014 Annual Meeting

(BRK.A - \$191,550 - NYSE)
(BRK.B - \$127.45 - " ")

The Berkshire Bomber Still a Contender



Source: AP

Reflections from the 2015 Annual Meeting

(BRK.A - \$216,620 - NYSE)
(BRK.B - \$143.78 - " ")

What Will Mr. Buffett Serve Up Next?



Source: AP

Reflections From the 2016 Annual Meeting

(BRK.A - \$215,880 - NYSE)
(BRK.B - \$143.88 - " ")

“My (Berkshire) Way”



Source: HBO.

Reflections From the 2017 Annual Meeting

(BRK.A - \$247,160 - NYSE)
(BRK.B - \$165.02 - ")

“The Berkshire Classroom”



Source: Marketster.com

Reflections From the 2018 Annual Meeting

(BRK.A - \$301,630 - NYSE)
(BRK.B - \$201.20 - ")

Berkshire Hathaway The American Tailwind Company



Source: Yahoo Finance.

Reflections from the 2020 Annual (Digital) Meeting

(BRK.A - \$273,975 - NYSE)
(BRK.B - \$182.67 - ")

Berkshire Hathaway The Unique Conglomerate



Source: Marketwatch

Reflections from the 2021 Annual (Digital) Meeting

(BRK.A - \$412,500 - NYSE)
(BRK.B - \$274.95 - ")

Berkshire Hathaway

“Don’t Believe Me Just Watch”



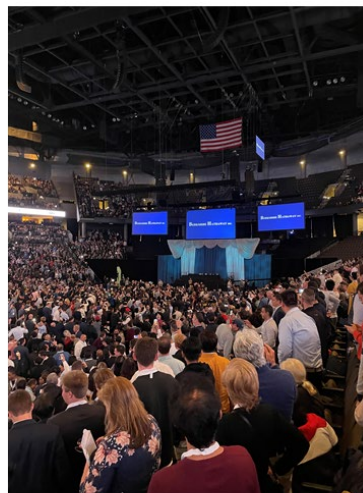
Source: Gabelli Funds.

Reflections from the 2022 Annual Meeting

(BRK.A - \$478,150 - NYSE)
(BRK.B - \$318.19 - ")

Berkshire Hathaway

“The Secret to Business is to Buy a Good Business”



Source: Gabelli Funds.

Reflections from the 2023 Annual Meeting

(BRK.A - \$499,000 - NYSE)
(BRK.B - \$324.87 - ")

Berkshire Hathaway

“A Celebration”

“The Architect, Charlie Munger”



Source: Facebook Gabelli Funds.

Reflections from the 2024 Annual Meeting

(BRK.A - \$601,830 - NYSE)
(BRK.B - \$399.24 - ")



“Turn the Page”



Source: Gabelli Funds.

Reflections from the 2025 Annual Meeting

(BRK.A - \$809,350 - NYSE)
(BRK.B - \$539.80 - ")

KEY TAKEAWAYS

- Charlie reiterated the team's and firm's commitment to a lifetime of learning. "It is amazing how much we learned over the years. If we hadn't, the results wouldn't have been anywhere near as good. We needed to improve at each step to take it to a new level."
- The repurchase plan was amended in July 2018 to allow discretion to either Warren or Charlie to buyback shares at a discount to intrinsic value. Previously the buyback was structured to start when shares were trading at 120% of book. Warren indicated he would be willing to buy a significant amount of the shares if given the opportunity. "If our stock gets cheap relative to intrinsic value, we would not hesitate. We would certainly be willing to spend a \$100 billion."
- Berkshire returns will be impacted by its size and ability to allocate large sums of capital. WB: "You can invest small sums at much higher rates of return than you can large sums." CM: "I have seen genius after genius with a good record, and pretty soon they have \$30 billion under management and two floors of young men working for them. And away goes the good record."
- Warren doesn't generally comment on politics but was asked about socialist influences in America. He responded he was a "card-carrying capitalist," and doesn't expect socialism to be a strong force. On the contrary, it is important for the country to have certain social safety nets for those less fortunate.
- At one point the Kraft Heinz position was the most valuable common stock holding. Over the last few years, the investment has done poorly, dropping 60% since the start of 2017. Additionally, the firm delayed 1Q earnings due to accounting issues. Berkshire acquired the 27% stake in 2015, and the Chairman recently acknowledged he over paid. "You can turn any investment into a bad deal by paying too much."
- Warren reiterated his disdain for private equity funds, claiming in some cases that calculated stated returns were not done in an honest fashion. "I would not get so excited about so-called alternative investments."
- Succession planning continues to be a big topic with shareholders and attendees of the meeting. Ajit Jain and Greg Abel have been made Vice-Chairmen. There has been some discussion about having them join on the stage for future meetings.
- Warren is content to hold a large amount of Treasury Bills. Currently the firm has about \$111 billion. That capital enables management to take advantage of opportunities for "juicy deals."
- On technology investing... Charles Munger regrets missing on Google, but "I don't mind not having caught Amazon early."
- On the business of investment management. There is an advantage of having permanent capital and having investors that are aligned with the process of sticking it out for the long-term and "not panic during rough patches in the market." Patience is one of the keys to making money. CM: "People come out of the womb with the delayed gratification skill – we can't teach it, we pick the people who have it."

2020

KEY TAKEAWAYS

- “Don’t bet against America.” Warren continues to believe in the “American Tailwind” in terms of economic progress and opportunity in the United States, which provides a great backdrop for investing over the long-term in equities of American Companies. Despite the Great Depression, WWII, and the Financial Crisis markets have moved higher. He continues to advocate for a basket of major corporations and favors those in the S&P 500.
- The current healthcare crisis has many unknowns and a range of potential unpleasant uncertainties. The economic stoppage could go on for some time and could present derivative impacts which are not known currently. “When the financial crisis started with the Fannie Mae Conservatorship, investors could not have imagined that money markets would freeze.”
- Jay Powell and the Federal Reserve have done an amazing job. He has admired Fed Governors over time but has likened current action to the leadership of Paul Volcker, one of his favorites. Credit markets had essentially froze in late March and even for high-grade corporations. The Fed came in, acted decisively, and March turned out to be a record for issuance. April continued that trend.
- He has spent a lot of time researching comparable events in history. During the Civil War from 1861-1865, about 6% of males between the ages of 18-60 were killed. Applying that metric today to the COVID-19 crisis would imply about 4 million male deaths
- Even with an ultimate return to prosperity, there will be changes in the economy. “I don’t expect to be flying commercially anytime soon. I might fly privately.” Other industries that will be impacted are leisure, retail and real estate. “Working from home will definitively cause business to think about their footprint.”
- He sold his entire airline stakes. The investment proved to be a mistake but based on factors that could not have been predicted in terms of the pandemic. Berkshire invested approximately \$7-8 billion in the four major airlines. At the time, Berkshire’s estimate of earnings among them was about \$1 billion. Since the start of the health care crisis, businesses have changed. The firms have seen a virtual stop in demand, have had to raise capital, and will be dealing with a structural shift in demand vs. significant capacity today in terms of airplanes. WB: “The future is much less clear to me. You have too many planes even if the business comes back.” He still praises the senior management teams for adapting and leading their organizations as well as raising capital. Still, it will be difficult for investors to generate satisfactory returns given the revised growth outlook and costs related to increased debt.

2021

KEY TAKEAWAYS

- It was confirmed that Greg Abel, Vice Chairman of Non-Insurance Operations would be Warren’s CEO successor and that Ajit Jain, would be a potential back-up to Greg.
- Last year the market declined significantly but quickly rebounded due to strong monetary and fiscal action by the US government. Jay Powell engineered a remarkable stop gap for liquidity in the American System. He moved “with such speed and precision.” Instead of a repeat of the ’08 crisis, when there was a run on the money markets, the Fed stepped in. “It was the most dramatic change in US history.” Unfortunately, for the capital allocators, there was not enough opportunity to put more cash to work. Charlie stated, “It is crazy to think that anyone could time the market in just one spot and spend all the money. A crazy standard to be held to.”
- Warren and Charlie repurchased \$25 billion shares last year (\$6.6 billion in 1Q21) and chose to invest in Berkshire rather than pursuing expanding the securities book given the value they see in the shares. In general, repurchases at the right price make a lot of sense as a way of distributing cash to a small number of shareholders that want out. On the contrary, “if you are purchasing stock to bullet your shares higher, it is immoral.”

- The question of paying a dividend seems to be a perennial favorite and was addressed the same way. Berkshire shareholders a few years ago had the chance to start a normalized payment but voted against it. These shareholders are attracted to the Berkshire business(es) for specific reasons and not obviously for the potential of dividends, which makes the Omaha conglomerate somewhat different. For some companies, dividend payouts may make sense. It is unlikely to happen with Berkshire.
- There was turnover in the securities investments, with notable sales in the airlines positions as previously highlighted. Corporate and international travel still remains subdued from the effects of the pandemic but will eventually recover. The faith in that predicament is backed up by a 19% position in American Express. In aggregate, the firm was a net seller of 1% of the investment portfolio. Additionally, the management team chose to reduce overall exposure in financials by selling JP Morgan, Goldman Sachs and some others, while still adding to Bank of America. They reiterated their long-term appreciation for CEO Brian Moynihan and for the conservative lender.
- The firm reduced the share count of the Apple position but saw an increase in effective ownership due to repurchases at the consumer giant. At present, Berkshire Hathaway's ownership equates to 5.3%. Warren continues to admire the firm and leadership execution of CEO, Tim Cook. "They have a product that everyone loves. Satisfaction levels are 99%. It is an extraordinary business." Charlie: "Apple is one of the leading American companies. I don't think Apple is doing a lot of harm. They are huge and that is good for us."
- Threats of inflation. Both senior managers admitted that the present economic policies are working for the American economy, but there still could be consequences related to the significant spending. They highlighted the differentiated alarm forecasts from economist Larry Summers, about the dangers of inflation and the increased debt levels. Greg Abel separately commented that he sees inflation picking up in consumer prices and raw materials. "Steel costs are going up every day. It just keeps going. It will not stop. Quite a bit more inflation going on than one would have anticipated six months ago."
- Berkshire Hathaway Energy has been a leader in ESG disclosures. Since 2007, the firm has provided and enhanced feedback about efforts to work in a cleaner energy society. In accordance with the Paris Accord, the firm is actively reducing operated coal units and expected to close 16 plants by 2030 in addition to the previous 16 from 2006 to 2020. All coal plants will be closed by 2049 as the firm fully transitions away.

2022

KEY TAKEAWAYS

- After stating in the annual letter (published in February) that the firm was seeing a paucity of investment opportunities, the investment managers significantly expanded activity purchasing over \$50 billion of securities including more Apple (AAPL: NASDAQ), Chevron (CVX: NYSE) and Activision Blizzard (ATVI: NASDAQ). In the 10-Q disclosures, all three classifications of publicly owned securities (consumer products, financials and industrial & other) showed an increase in value, with the cost basis rising to \$145 billion from \$104 billion, sequentially. Mark-to-market at the end of March, the securities portfolio was worth \$390.5 billion including \$159.1 billion for Apple and \$25.9 billion for Chevron.
- The Activision Blizzard stake has grown to 9.5% of outstanding. The firm first started purchasing Activision stock in the 4th quarter of 2021 and then benefitted from the rise in the shares after the company agreed to be acquired by Microsoft (MSFT: NASDAQ) for \$95 per share in January 2022. With the shares trading ~\$75 per share on the Friday before the announced increased ownership at the annual meeting, the investors see an attractive risk arbitrage opportunity where "if the deal goes through, we make some money, and if the deal doesn't go through, who knows what happens. We don't know what the Justice Department will do, we don't know what the EU will do, we don't know what the thirty other jurisdictions will do. One thing we do know is that Microsoft has the money."

- One recent positive element to the stock market volatility and large amounts of day trading was the ability for Berkshire to accumulate such a large position in Occidental (OXY: NYSE). The firm was able to buy 14% in several weeks. “I find that just incredible... you wouldn’t be able to do that with Berkshire.” That case further reinforces an element of the market that reflects a “casino” rather than one based on providing long-term investments in individual shares of businesses.
- The Alleghany transaction catalyst came from a previous communication from Joe Brandon (former Berkshire insurance executive) to his former boss about his progress at the reinsurer as new CEO. Warren has always admired Alleghany, having followed the firm for many years. After receiving an annual letter from Joe, he reached out to him about a meeting in New York. The two came together on a \$11.6 billion deal for the Berkshire acquisition. Alleghany will fit nicely into the broader insurance business bringing further underwriting scale and \$20+ billion investment capital, while also helping bolster the executive ranks below Ajit Jain in the insurance operations.
- One questioner pointed out the duo’s distinctive history of “timing the market.” Warren was quick to respond “we haven’t the faintest idea what the stock market was going to do when it opens on Monday. I don’t think we have ever made a decision” based on expectations for the stock market or the outlook for the economy. Warren also pointed out he did not act during the major declines brought on by the pandemic which resulted in a major missed opportunity. “We have not been good at timing, ...we have been reasonably good at figuring out when we were getting enough for our money.”
- Mr. Munger was asked about investing in China today given some of the geopolitical dynamics. “The reason I invested in China is I get so much better companies at so much lower prices. And I am willing to take a little bit more risk to get into the better companies with the lower prices. Other people might reach the opposite conclusion, and everybody is more worried about China now than they were fifty years ago.”
- On inflation there were a few questions asked. Warren reiterated his respect for Federal Reserve Governor, Jay Powell, who he called a “hero” during the early days of the pandemic to inject enormous amounts of liquidity into the system in order to keep it from freezing completely. However, he recognized that money printing does have the impact of causing inflation – “You print loads of money, and money is going to be worth less.”
- Bitcoin investing remained a particular punching bag for critical feedback. Warren argues you should only purchase “assets that have value” and an ability to “deliver something to someone.” By example, he stated he would gladly purchase part of the US farms or commercial real estate for billions because they generate returns to investors, while he would not buy all of the Bitcoin in the world for just \$25. “Whether it goes up or down in the next year, or five years or ten years, I don’t know. But the one thing I’m pretty sure of is that it doesn’t produce anything.”
- Robinhood (NASDAQ: HOOD) – Both Charlie and Warren were critical of both the meme era and new financial apps for trading. The markets have been turned into a “short-term gambling” arena where certain firms are incentivized to increase the hype of engagement through commissions and “hidden kickbacks” alluding to current industry standard payment for order flow.

2023

KEY TAKEAWAYS

- Recent bank failures. Had the FDIC not intervened in protecting the deposits of Silicon Valley Bank, the outcome would have been “catastrophic” for the US financial system. Although the mandated FDIC protection insurance is \$250k, the reality is that the US government should protect uninsured deposits in order to keep the confidence in the domestic system. Mr. Buffett noted he keeps his cash in a local bank, and the balance is over the FDIC limit. They also called out the poor balance sheet management of the failed institutions and displayed two signs “Available for Sale” and “Held-to-Maturity” on the presentation table to be humorous, but to make a point about the two accounting issues facing the banking industry.

- With \$130 billion of short-term cash and little debt, the conglomerate is well positioned to continue its history of capital allocation and could easily buy “a company for \$15 billion, \$75 billion, \$100 billion. There’s no one else quite like us who can under the right circumstances.” Last year, the firm purchased Alleghany Insurance for \$11.5 billion. While being patient with outlaying cash flows, the firm stands to benefit from higher interest rates such that investment income could be boosted by over \$5 billion from as little as \$50 million a few years ago.
- During the presentation, the duo commented on the declining Berkshire share count (from repurchase activity), which increases ownership to existing shareholders. Future CEO, Greg Abel, also expects to continue the active approach of Buffett and Munger. “When the opportunity presents itself, we’ll want to be an active purchaser of Berkshire shares. It’s great for our shareholders to be able to own a larger share in all of Berkshire’s businesses.”
- GEICO, one of the larger parts of the Berkshire Insurance business had a particularly strong 1Q with a combined ratio of 93%. While the firm continues to make progress after some previous quarterly losses, the quarter was impacted by two items that elevated near-term performance. The quarter’s results benefitted from a reserve release and some stronger seasonality. Going forward for the year, Vice-Chairman of Insurance, Ajit Jain expects the firm’s combined ratio to be a little lower than 100%. He also noted that in the goal of improving margins through pricing changes, the firm is likely to see an impact to client growth.
- Reinsurance outlook: The last fifteen years, the property/cat business has been difficult area to write premium given the competitive dynamics on pricing. More recently the environment swung to a “harder” outlook. Ajit Jain: “We were optimistic to be able to put some premium on books in 1Q but could not close. Fast forward to April 1 – we had powder dry, and we were thankful we did. We are probably happy with our underwriting exposure at this point. Will have some big losses if there is a major hurricane in Florida. We could lose up to \$15 billion.”
- Apple (NASDAQ: AAPL). As of May 5, the firm owned approximately 915 million shares worth ~\$160 billion making it the largest holding in the equities portfolio (total of \$328 billion as of March 31, 2023). Warren reiterated his appreciation for the company stating it is a “better business than any we own.” He regrets selling some shares a few years ago and praised Apple’s repurchase program, which by nature increases the effective ownership for Berkshire Hathaway and has the effect of “buying out the other partners.” Charlie downplayed any issue with the large concentration in the shares noting that you should go with your best ideas and ignore “diworsification.” Warren also stated that Berkshire has a “fair amount” of money in the shares, but not more than the costs in the railroad.
- Investing in Asia. Buffett is pretty excited about some relatively recent investments in five Japanese “trading” conglomerates. He started out with smaller stakes and then recently announced he had increased the total in each to 7.4%. He has permission to raise that to 9%. The investments were desirable because of ~14% “owners’ earnings” yields, businesses that he understands, and histories of raising dividends. He also noted that Berkshire Hathaway issued local debt in the country at rates below 1% providing a nice carry between the interest costs of the bonds and the earnings returns from the foreign companies. Additionally, Charlie and Warren like the stability of the Japanese markets vs. the more challenging situation with China, which has been made worse by rhetoric and actions by both superpowers competing against each other. “We should encourage cross trade and relations.” Just look at the success of Apple selling products in China. “That has been good for Apple and the people of China.”
- After Warren dies, his voting shares will be given to several charities which will then sell them off over time, which could take 10-15 years. The lower voting control would be less impactful in terms of the Buffett family influence leaving the firm more open to activist campaigns. Warren did not seem too worried about the future potential distraction. “We will have issues, but we are in better shape than other companies. We want to be a plus to the planet and be considered an asset and not a liability. We want our capital to filter into society.”
- Elon Musk: Both investors voiced positive respects about the famous technology innovator. “He is a brilliant guy. He dreams about things. He likes taking on the impossible job and doing it.” With respect to Berkshire, “we are different. Warren and I are looking for the easy job we can identify.”

- Artificial Intelligence: Charlie sees a lot of growth in robotics in EV manufacturing. While AI is likely to make an impact on the economy he alluded to already high expectations in the press around the initiatives. “I am skeptical of some of the hype that has gone into AI. I think old fashioned intelligence is pretty good.”

2024

KEY TAKEAWAYS

- Management succession remained a focus of questions with little incremental insight on the well-known plans. Greg Abel will oversee operating company capital allocation and is a great choice based on his business acumen. The firm is in great shape for the next 20+ years given the current bench and tenure among the managers. It is possible that the Board could be faced with some unexpected interruptions in management continuity. Therefore, potential interaction should not be ruled out but shareholders should feel positive that turnover should remain low, with little need for attracting more material numbers of senior leaders. No one that expects to retire at 65 is probably going to be a good fit for the conglomerate team.
- In 1Q, cash and equivalents rose to ~\$190 billion and is likely to be \$200 billion at the end of 2Q. The firm is generating about \$100 million per day in operating earnings, which needs to be allocated. Still, there remains no pressure to go outside the traditional Berkshire discipline. “We only swing at pitches we like. Things are not attractive. There are certain ways things can change. We will have to see what happens.” Warren also noted that investment income will rise this year comparatively in the insurance segment due to the combination of higher cash balances and reinvestment at higher interest rates, both of which will help drive operating earnings in 2024+.
- The firm sold ~115 million shares of Apple (AAPL: NASDAQ) during the quarter or approximately 13% of total. That leaves the firm with 790 million shares marked at a current value of \$145 billion. They still believe the tech company will stay one of the largest core holdings but left the door open to sell down more of the position. One reason for the reduction in ownership was a worry that corporate tax rates (21% currently and down from 35% a few years ago) will likely rise in the future, which would reduce after-tax proceeds (capital gains impact) from future sales. We would note realized capital gains in the quarter were \$11.2 billion, a reflection of the significant gains from the Apple investment.
- There were several questions about the utility business. Greg and Warren noted the large opportunity ahead for the utility sector given future power demand by the movement to electric vehicles and technology innovation cycle from AI that is supported by investment in data centers. In Nevada, power demand could triple from the current base by 2030, while Utah could see a doubling in the next few years. As per recent litigation around wildfires, Greg is disappointed by the escalation in claims that well exceed economic recoveries. Last week, the press reported an incremental \$30 billion in claims from an existing class action. The firm expects to vigorously defend the cases and has already accounted for \$2.4 billion in cumulative losses from the events. Berkshire management believes they are one of the right partners for addressing the future power consumption needs due to scale of capital, core competence in planning projects, and working successfully with communities. However, they will not pursue investment in regions that don’t protect rational private/public partnership economics, in contrast to the challenges occurring in Oregon today. “We are not interested in losing money for shareholders.” –WB
- International Investment. The firm expects to continue a concentration of capital allocation to the United States given competitive economic dynamics and the sheer size of the market for investing. They started investing in Japan in 2019, which has been a nice opportunity, but has been a little challenging in terms of the velocity of putting more significant capital to work (~8% ownership in five different “Japanese trading companies”). There were separate questions about other global regions of investment opportunity. They like Canada given its likeness to growth in the US and are pursuing a potential opportunity currently. India was admired as being a place with potential, but unlikely to see Berkshire interest due to Warren’s limited proficiency in India’s business culture. He qualified that by saying it was not a negative about India, which probably had lots of opportunity. It was just that he personally felt more comfortable with the US.

- AI. Like last year, there was a question about the expected impact on Berkshire's businesses. Warren made a comparison to the US developing nuclear weapons, which had unintended consequences. AI is potentially a similar step-up in technology innovation but remains to be seen what major negative consequences there could be. He recently opened an AI generated Warren Buffett equivalent communication that looked and sounded just like him, but was not. This sparked fears of the potential for scams in the future. In reaction to the communication, "I practically tried to send money to myself."
- Insurance: Several important items were offered in feedback. First, the insurance business remains Berkshire's crown jewel and even more important than executing well on equities investing because of the risk involved. Ajit Jain has been a unique force of return and risk mitigation. In 1Q, the firm generated strong underwriting results, partially as function of a significant increase in Florida contracts against a mild quarter for catastrophe losses (of all categories the firm is most exposed to Atlantic hurricanes). Second, Ajit Jain is confident in the management succession plans for him referring to a strong bench of established operators that have worked well in the Berkshire system of insurance operations. As good as Ajit Jain is, the business will remain formidable due to its competitive advantages of scale and legacy cultural expertise that Ajit has built during his long tenure of starting and growing the insurance segment. Digging in, they see opportunities in more challenged markets like Florida with regulations evolving to better protect economics. Cyber security is a fast-growing and exciting market for underwriting in industry, but not desirable for Berkshire as the actuarial data set is limited for understanding true risk. Berkshire is only embracing this market, when necessary, inclusions for policies and treating all underwriting as a certain potential loss. Warren quoted Charlie Munger on the distaste for this industry underwriting – "it could be rat poison." GEICO's performance has been below target as of late as the firm hopes to catch-up to industry leader Progressive (PGR: NYSE), which made the competitive leap by investing more in analytics and managing better premium/risk dynamics. Ajit is confident in the progress and notes GEICO's competitive costs of funds as an underappreciated aspect.

2025

KEY TAKEAWAYS

- Cash levels. As of 1Q, cash and equivalents had increased to \$328 billion. The sheer investment in short-dated Treasuries makes Berkshire approximately 5% of the total market. Ideally the managers would like to work down the capital to a lower balance but will be patient until the environment is most fruitful. "We are running a business that is very, very opportunistic." Additionally, capital generation is about \$40 billion per year and that will have to be invested going forward. Based on the current large numbers, it is likely Greg Abel will preside over more capital allocation than during the previous history under Buffett. "The amount of cash we have – we would spend \$100 billion if something is offered that makes sense to us, that we understand, offers good value, and where we don't worry about losing money. The problem with the investment business is that things don't come along in an orderly fashion, and they never will."
- Trade policy should not be used as weapon. The United States should be looking to trade with the rest of the world. Warren believes in comparative advantage – there is a reason cocoa should be raised in Ghana and coffee come from Colombia. "The United States has become an incredibly important country starting from nothing 250 years ago – there's never been anything like it. And it's a big mistake when you have 7.5 billion people who don't like you very well and you have 300 million people crowing about how well they've done. I don't think it's right and I don't think it's wise."
- The concept of the American Tailwind remains intact despite recent volatility and political change in Washington. "If you don't think the United States has changed since I was born in 1930, you're not paying attention. We've gone through all kinds of things – great recessions, world wars, the development of the atomic bomb that we never dreamt of when I was born. So, I would not get discouraged about the fact that we haven't solved every problem that's come along. If I were being born today, I would just keep negotiating in the womb until they said I could be in the United States. We're all pretty lucky. We've got two non-United States guys (Greg Abel and Ajit Jain) here who now live in the US."

- Japanese Investments. Berkshire has major holdings in five of the Japan “trading companies” including Itochu Corp, Marubeni, Mitsubishi Corp, Mitsui Co LTD, and Sumitomo Corp. The firm first started acquiring the positions (~10% each) about six years ago and – in aggregate – the total US notional is a little over \$20 billion. They have been pleased with the performance and would like to own more of each and currently are working on relaxing the ownership caps (no more than 10%) with each. They really like the long-term opportunity and would be happy to own \$100 billion in aggregate. As part of the investment, Berkshire issued Yen denominated debt (weighted average cost @ 1%), creating a nice carry against current returns (dividend yields) that are higher than the 1%. This financing arbitrage was an added benefit to an already desirable risk/reward. Additionally, the allocations fit within the long-term mold, and they intend to hold for many decades, while also benefiting from other potential capital allocation opportunities through their friendly relationships with the Japanese companies.
- AI and impact on insurance. Ajit Jain concluded that there is “no question that AI will be a game changer.” It will impact how the firm manages risks and paying out claims. Some of the industry is spending enormous amounts of money chasing the next “fashionable thing.” Berkshire will be cautious before committing to spending a lot. By not being a first mover, Berkshire will benefit from seeing how the landscape crystallizes and then will invest to stay competitive. Some insurance subsidiaries are using AI currently, but no big adoption yet. So the insurance segment is in a “state of readiness, and should that opportunity pop up, we’ll jump in promptly.”
- GEICO. Under the leadership of Todd Combs, the car insurance firm has made a strong turnaround including adapting telematics, adjusting rate policy to reflect risks and reducing headcount by 20,000 people for ~\$2 billion of savings. For 1Q25, the GEICO unit generated a combined ratio of 79.8%, which is a large margin for insurance companies. Efficiency improvement remains a work in progress given the dynamics of the industry and the need for investment in technology. Despite a few historic instances of decreasing profitability, the business remains a gem for Berkshire. The first 50% was acquired in 1976 for \$50 million. Last quarter, the fully owned unit generated \$2 billion of EBT. Additionally, the insurance segment has \$29 billion of investable float.
- Autonomy and impacts on insurance. “There is no question that insurance for automobiles is going to change dramatically once self-driving cars become a reality.” -Ajit Jain. Most of the insurance sold today is around operator error. Over time the industry share will change from operator liability insurance to more product liability driven coverage as passengers rely more on autonomy. In any case, GEICO will be well positioned to deliver insurance coverage and has enjoyed strong growth rates over time. In 1951, the average price of a policy was about \$40. Today it is easy to get to \$2,000 depending on location and requirements. During this time though, the number of people killed per 100 million miles driven has fallen from 6 to a little over 1 (WB). “So, the car has become incredibly safer, and it costs 50 times as much to buy an insurance policy.”
- In response to a question on good habits and succeeding in investments, Warren exclaimed with a familiar response. You must find what you are passionate about and then apply yourself, but you still need to be realistic about your core competencies. “I don’t believe in that book that talked about spending 10,000 hours at something. I could spend 10,000 hours at tap dancing and you’d throw up if you watched me. But if I spent 10 hours reading Ben Graham, I would be damn smart when I got through (it).”

MAJOR ANNOUNCEMENT – BUFFETT TO STEP DOWN AS CEO

At the very end of the meeting, Warren communicated that he would recommend to the Board that Greg Abel take over as CEO at the end of 2025. There was an immediate standing ovation by the audience with Warren stating, “the enthusiasm from that response can be interpreted two ways!” Subsequently, the Board approved Greg as CEO, with Warren retaining the role as Chairman. “I could be helpful, I believe, in certain respects if we ran into periods of great opportunity or anything. I think that Berkshire has a special reputation that when there are times of trouble for the government, we are an asset and not a liability, which is very hard to have because usually the public and government get very negative on business if there’s a time like that. But Greg would have the tickets. Whether it’s acquisitions – I think the Board would be more welcome to giving him more authority on large acquisitions probably if they knew I was around. But Greg would be the chief executive, period.”

Of note, this was another brilliant example of handling a major situation for Berkshire. Ending the meeting with the announcement while retaining the secrecy meant he came public with this important news without any speculation or fanfare ahead of the meeting. This allowed him also to address questions and enjoy the engagement with shareholders without the succession overhang. He has always created great, positive Berkshire theatre and this deserved another Oscar as well as consideration for a lifetime award.

Shareholders should welcome this transparent transition, while having confidence that Warren isn’t going anywhere. Retaining the position of Chairman means he can continue to mentor Greg and the Berkshire leaders, while also providing additional intellectual capacity when the inevitable time for more major capital allocation occurs. There must have been a lot of pressure on Warren personally ahead of making the announcement. With this behind him and another meeting in the history books, Warren should benefit from the relief and more personal capacity to focus on what he loves - making Berkshire better and generating returns for shareholders.



Greg Abel, Berkshire Hathaway Inc.

Source: Gabelli Funds

Company Overview

Berkshire Hathaway Inc., based in Omaha, NE is a \$1 trillion market capitalization holding company for a diverse group of operating subsidiaries including insurance, freight rail transportation, utilities and energy, finance, services and retailing. The subsidiaries operate in an autonomous fashion, while investment and capital allocation decisions are managed by Warren Buffett, and starting in 2024, Greg Abel.

Insurance

Berkshire operates several insurance (\$176 billion of insurance float as of September 2025) subsidiaries including, but not limited to Berkshire Hathaway Primary Group, Berkshire Hathaway Reinsurance Group, and GEICO. GEICO is perhaps the most public identifiable brand with its charming and comedic commercials featuring the “Gekko.” Through persistent share gains, GEICO, has grown to the third largest private passenger auto insurer in the United States.

Exhibit 1



Exhibit 2



Source: Specialhappens.com

Railroad

Following the acquisition of Burlington Northern in February 2010 for approximately \$26.5 billion in cash and stock, Berkshire became one of the largest operators of railroad systems in the United States with approximately 32,500 miles of track in 28 states and three Canadian provinces. In serving primarily the Midwest, Pacific Northwest and Western and Southwestern parts of the United States, the company transports a range of products and commodities related to manufacturing, agricultural and natural resources industries.

Utilities

Berkshire Hathaway Energy Company is a holding company for the firm’s many operating subsidiaries including MidAmerican Energy Company, Pacific Energy and Rocky Mountain Power, which provide power transmission and energy services. In addition, Holdco. owns HomeServices of America, a real estate services platform with 48 brand names and 37,700 agents operating in 34 states and the District of Columbia.

Other Businesses

Berkshire has many other operating businesses. Notable companies include:

- Acme Brick – industrial manufacturer of bricks and masonry products
- Clayton Homes – vertically integrated housing company
- IMC International Metalworking Companies (ISCAR) – metal cutting and tools business
- McLane Company – wholesale distributor of groceries and nonfood items to discount retailers
- Shaw Industries – largest manufacturer of tufted broadloom carpet
- The Lubrizol Company – specialty chemicals

Exhibit 3



Source: Specialhappens.com

In addition, the Berkshire Hathaway owns many popular consumer brands including Benjamin Moore, Fruit of a Loom, International Dairy Queen, NetJets, and the Oriental Trading Company.

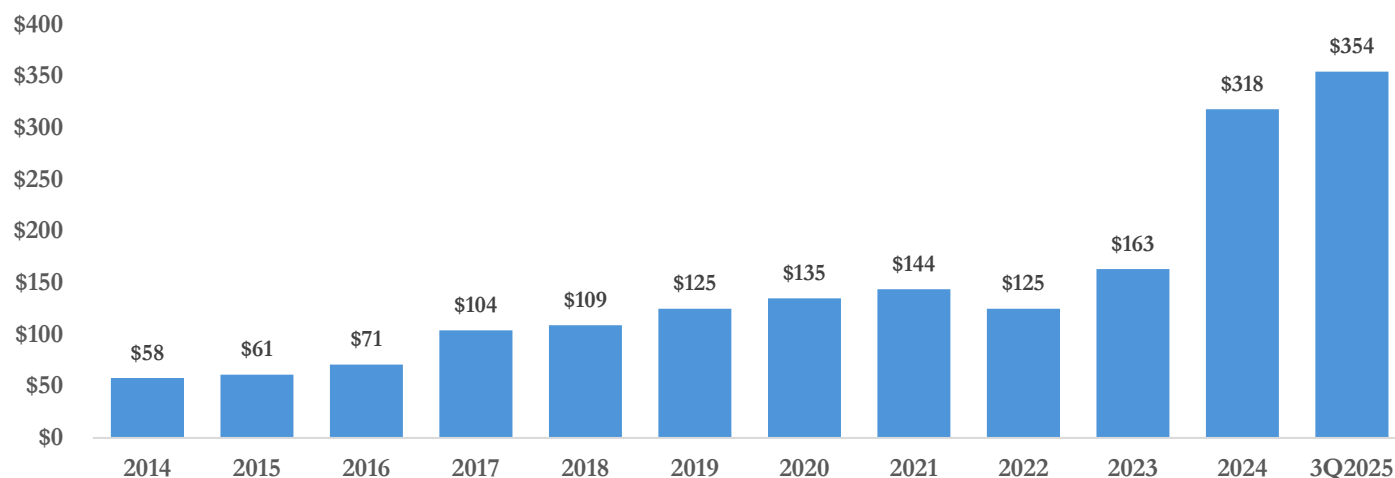


Macrae Sykes, Gabelli Funds (Left)
Pat Egan, See's Candies (Right)

Source: Gabelli Funds

Exhibit 4
(\$, billions)

Berkshire Hathaway Cash
2014 – 3Q2025



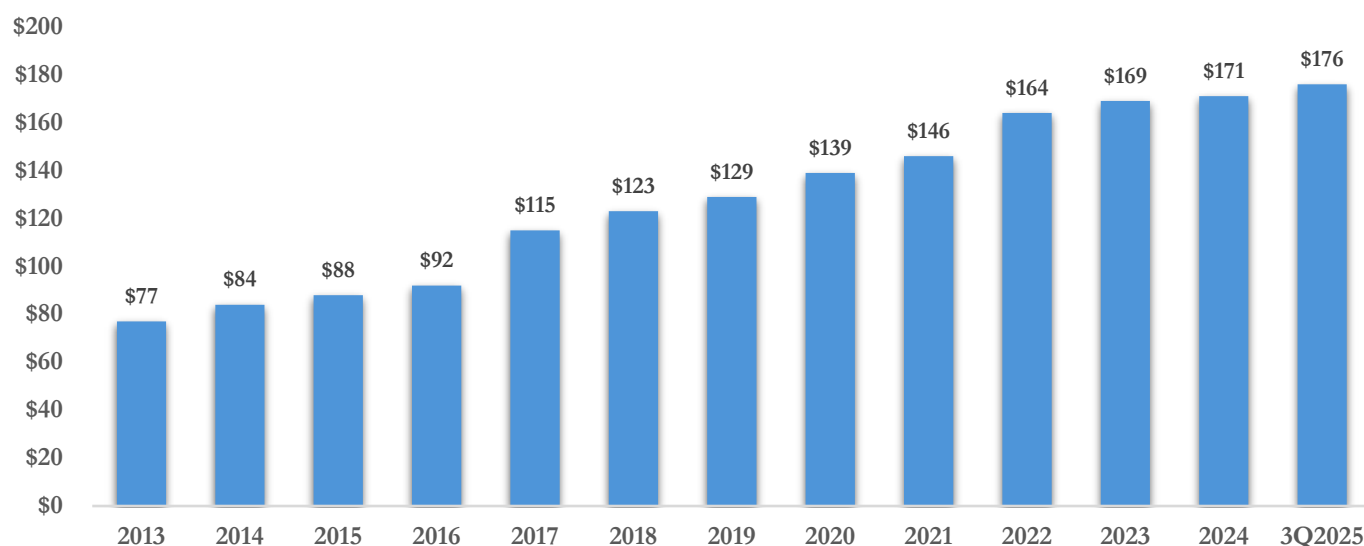
Source: Company Filings.

Cash Balances

Berkshire Hathaway has a long history of capital generation and productive capital allocation. At times, the firm can act quickly and in a large fashion to invest in public equities, controlled businesses and/or repurchase shares. During the financial crisis, Berkshire invested significant amounts in Bank of America (NYSE: BAC), Dow (NYSE: DOW), General Electric (NYSE: GE), Goldman Sachs (NYSE: GS), and Mars and which led to billions of future gains. At the end of 3Q25, cash had risen to \$354 billion. If that amount of capital were compared to the capitalization of an S&P 500 company, it would rank 26th largest in the Index (Source: FactSet. As of September 30, 2025).

Exhibit 5
(\$, billions)

Berkshire Hathaway Float
2013 – 3Q2025



Source: Company Filings.

Investments

Over time the firm has invested in many different equity investments; while maintaining generally long-term investments in several major companies including American Express, Coca Cola and Moody's among others. The investment companies reflect similar traits to the firm's collection of operating companies in terms of strength of brands, strong competitive industry positions and significant cash flow generation.

2013 Major Investments

(\$, millions)

Shares	Company	Market
151,610,700	American Express Company	13,756
400,000,000	The Coca-Cola Company	16,524
22,238,900	DIRECTV	1,536
41,129,643	Exxon Mobil Corp.	4,162
13,062,594	The Goldman Sachs Group, Inc.	2,315
	Top 5 Stock Holdings - Total Market Value	38,293
	Total Common Stocks Carried at Market	<u>\$ 117,505</u>

2014 Major Investments

Shares	Company	Market
151,610,700	American Express Company	\$ 14,106
400,000,000	The Coca-Cola Company	16,888
18,513,482	DaVita HealthCare Partners Inc.	1,402
15,430,586	Deere & Company	1,365
24,617,939	DIRECTV	2,134
	Top 5 Stock Holdings - Total Market Value	35,895
	Total Common Stocks Carried at Market	<u>\$ 117,470</u>

2015 Major Investments

Shares	Company	Market
151,610,700	American Express Company	\$ 10,545
46,577,138	AT&T	1,603
7,463,157	Charter Communications, Inc.	1,367
400,000,000	The Coca-Cola Company	17,184
18,513,482	DaVita HealthCare Partners Inc.	1,291
	Top 5 Stock Holdings - Total Market Value	31,990
	Total Common Stocks Carried at Market	<u>\$ 112,338</u>

2016 Major Investments

Shares	Company	Market
151,610,700	American Express Company	\$ 11,231
61,242,652	Apple Inc.	7,093
6,789,054	Charter Communications, Inc	1,955
400,000,000	The Coca-Cola Company	16,584
54,934,718	Delta Airlines Inc.	2,702
	Top 5 Stock Holdings - Total Market Value	39,565
	Total Common Stocks Carried at Market	<u>\$ 122,032</u>

2017 Major Investments

Shares	Company	Market
151,610,700	American Express Company	\$ 15,056
166,713,209	Apple Inc.	28,213
700,000,000	Bank of America Corporation	20,664
53,307,534	The Bank of New York Mellon Corporation	2,871
225,000,000	BYD Company LTD	1,961
	Top 5 Stock Holdings - Total Market Value	<u>68,765</u>
	Total Common Stocks Carried at Market	<u>\$ 170,540</u>

2018 Major Investments

Shares	Company	Market
151,610,700	American Express Company	\$ 14,452
255,300,329	Apple Inc.	40,271
918,919,000	Bank of America Corporation	22,642
84,488,751	The Bank of New York Mellon Corporation	3,977
6,789,054	Charter Communications, Inc.	1,935
	Top 5 Stock Holdings - Total Market Value	<u>83,277</u>
	Total Common Stocks Carried at Market	<u>\$ 172,757</u>

2019 Major Investments

Shares	Company	Market
151,610,700	American Express Company	\$ 18,874
250,866,566	Apple Inc.	73,667
947,760,000	Bank of America Corporation	33,380
81,488,751	The Bank of New York Mellon Corporation	4,101
5,426,609	Charter Communications, Inc.	2,632
	Top 5 Stock Holdings - Total Market Value	<u>132,654</u>
	Total Common Stocks Carried at Market	<u>\$ 248,027</u>

2020 Major Investments

Shares	Company	Market
25,533,082	AbbVie Inc.	\$ 2,736
151,610,700	American Express Company	18,331
907,559,761	Apple Inc.	120,424
1,032,852,006	Bank of America Corporation	31,306
66,835,615	The Bank of New York Mellon Corporation	2,837
	Top 5 Stock Holdings - Total Market Value	<u>175,634</u>
	Total Common Stocks Carried at Market	<u>\$ 281,170</u>

2021 Major Investments

Shares	Company	Market
151,610,700	American Express Company	\$ 24,804
907,559,761	Apple Inc.	161,155
1,032,852,006	Bank of America Corporation	45,952
66,835,615	The Bank of New York Mellon Corporation	3,882
225,000,000	BYD Company LTD	<u>7,693</u>
	Top 5 Stock Holdings - Total Market Value	<u>243,486</u>
	Total Common Stocks Carried at Market	<u><u>\$ 350,719</u></u>

2022 Major Investments

Shares	Company	Market
915,277,910	Apple Inc.	\$ 118,922
1,032,852,006	Bank of America Corporation	34,208
165,359,318	Chevron Corporation	29,680
400,000,000	The Coca-Cola Company	25,444
151,610,700	American Express Company	<u>22,400</u>
	Top 5 Stock Holdings - Total Market Value	<u>230,654</u>
	Total Common Stocks Carried at Market	<u><u>\$ 286,002</u></u>

2023 Major Investments

Shares	Company	Market
915,611,766	Apple Inc.	\$ 176,283
1,032,852,006	Bank of America Corporation	34,776
151,610,700	American Express Company	28,403
400,000,000	The Coca-Cola Company	23,572
110,248,289	Chevron Corporation	<u>16,445</u>
	Top 5 Stock Holdings - Total Market Value	<u>279,479</u>
	Total Common Stocks Carried at Market	<u><u>\$ 295,931</u></u>

2024 Major Investments

Shares	Company	Market
300,000,000	Apple Inc.	\$ 75,126
151,610,700	American Express Company	44,997
797,683,307	Bank of America Corporation	35,058
400,000,000	The Coca-Cola Company	24,904
118,610,534	Chevron Corporation	<u>17,180</u>
	Top 5 Stock Holdings - Total Market Value	<u>197,265</u>
	Total Common Stocks Carried at Market	<u><u>\$ 242,059</u></u>

Performance

Berkshire Hathaway continues to be among the largest public capitalizations in the United States. Since taking over Berkshire Hathaway in 1965, Mr. Buffett has generated an overall gain of 5,502,284% vs. the 39,054% change in the S&P 500 (including dividends). We would note that Berkshire's performance is after-tax, while the S&P 500 return is pre-tax.

Table 1 **Berkshire Hathaway Performance**
1965-2024

<u>Year</u>	<u>Annual Percentage Change</u>			<u>Year</u>	<u>Annual Percentage Change</u>		
	<u>in Per-Share</u> <u>Market Value of</u> <u>Berkshire</u>	<u>in S&P 500</u> <u>with Dividends</u> <u>Included</u>	<u>Relative</u> <u>Results</u>		<u>in Per-Share</u> <u>Market Value of</u> <u>Berkshire</u>	<u>in S&P 500</u> <u>with Dividends</u> <u>Included</u>	<u>Relative</u> <u>Results</u>
1965	49.5%	10.0%	39.5%	1995	57.4	37.6	19.8
1966	(3.4)	(11.7)	8.3	1996	6.2	23.0	(16.8)
1967	13.3	30.9	(17.6)	1997	34.9	33.4	1.5
1968	77.8	11.0	66.8	1998	52.2	28.6	23.6
1969	19.4	(8.4)	27.8	1999	(19.9)	21.0	(40.9)
1970	(4.6)	3.9	(8.5)	2000	26.6	(9.1)	35.7
1971	80.5	14.6	65.9	2001	6.5	(11.9)	18.4
1972	8.1	18.9	(10.8)	2002	(3.8)	(22.1)	18.3
1973	(2.5)	(14.8)	12.3	2003	15.8	28.7	(12.9)
1974	(48.7)	(26.4)	(22.3)	2004	4.3	10.9	(6.6)
1975	2.5	37.2	(34.7)	2005	0.8	4.9	(4.1)
1976	129.3	23.6	105.7	2006	24.1	15.8	8.3
1977	46.8	(7.4)	54.2	2007	28.7	5.5	23.2
1978	14.5	6.4	8.1	2008	(31.8)	(37.0)	5.2
1979	102.5	18.2	84.3	2009	2.7	26.5	(23.8)
1980	32.8	32.3	0.5	2010	21.4	15.1	6.3
1981	31.8	(5.0)	36.8	2011	(4.7)	2.1	(6.8)
1982	38.4	21.4	17.0	2012	16.8	16.0	0.8
1983	69.0	22.4	46.6	2013	32.7	32.4	0.3
1984	(2.7)	6.1	(8.8)	2014	27.0	13.7	13.3
1985	93.7	31.6	62.1	2015	(12.5)	1.4	(13.9)
1986	14.2	18.6	(4.4)	2016	23.4	12.0	11.4
1987	4.6	5.1	(0.5)	2017	21.9	21.8	0.1
1988	59.3	16.6	42.7	2018	2.8	(4.4)	7.2
1989	84.6	31.7	52.9	2019	11.0	31.5	(20.5)
1990	(23.1)	(3.1)	(20.0)	2020	2.4	18.4	(16.0)
1991	35.6	30.5	5.1	2021	29.6	28.7	0.9
1992	29.8	7.6	22.2	2022	4.0	(18.1)	22.1
1993	38.9	10.1	28.8	2023	15.8	26.3	(10.5)
1994	25.0	1.3	23.7	2024	25.5	25.0	0.5
CAGR 1965-2024				19.9%			10.4%
Overall Gain - 1964-2024				5502284%			39054%

Source: Company reports. Note: Data are for calendar years with these exceptions: 1965 and 1966, year ended 9/30; 1967, 15 months ended 12/31

Valuation

In the past, Mr. Buffett referred to Berkshire's change in book value as one proxy for evaluating the progress against the S&P 500 Index. Since 1990, price-to-book (GAAP) value has fluctuated between 1.1x and 2.8x. At the end of September 2025, book value per Class A Share was \$485,429 or about 1.5x the current price.

Exhibit 6

Berkshire Hathaway Class "A" Price-To-Book (1990 – September 2025)



Source: Bloomberg.

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