



## WOODSTONE FINANCIAL, LLC

A REGISTERED INVESTMENT ADVISOR

### **Dispatch from Omaha:**

For the last four years I've made the pilgrimage to Omaha, Nebraska, to attend the Berkshire Hathaway Annual Meeting. I only wish I had started going sooner. It is one of the most rewarding experiences an investor could have- to have an audience with two of the best business minds of the last century. The meeting consists of a five hour question and answer session conducted by Warren Buffett, Berkshire's Chairman and CEO, and Charlie Munger, Berkshire's Vice-Chairman. These two men became partners in the late 1950's and have a track record which is unmatched in business today. Together they have grown a company with a market capitalization in excess of \$140 billion. The company, Berkshire Hathaway ( <http://www.berkshirehathaway.com/> ), is mainly a collection of diverse businesses concentrated primarily in insurance (GEICO and General Re) but ranging from candy (See's Candies) to cowboy boots (Justin). In addition, they are major shareholders in a number of great American companies such as Coca-Cola and Gillette. They have built a corporate model which has tremendous ability to generate earnings and long-term staying power. The allure of the meeting is no so much to marvel at the collection of companies, although that is part of it, but to soak up the wisdom, philosophy and advice dispensed by these two investment sages. Every year, they touch on topics ranging from corporate governance to economics to morality and ethics. Buffett, 74, does most of the talking and is known for his Midwestern folksy humor and quick wit. No subjects are taboo, although some questions get a rather brisk and curt response. Munger, who is ten years Buffett's senior, has a concise manner of speaking and is particularly impatient with issues which demonstrate a lack of common sense.

There are no transcripts or recordings of the meeting. You have to go there in person. It's not possible to assimilate all the great ideas and notions at once. They must be digested over time. Fortunately, as Buffett has said, knowledge is cumulative. Going year after year serves as a benchmark for reaffirming my investment philosophy. These two men can deflect and filter all the non-essential information in the business world everyday and focus only on the relevant variables. Perfecting that skill requires a great knowledge of how business works, good basic math skills, patience and discipline. Spending time looking at anything else, ultimately hurts results. Each year I come away with a strong reinforcement of this strategy. Next year's meeting is already on my calendar.

Whitney Tilson, a money manager from New York City, writes a Berkshire Hathaway Meeting summary for the Motley Fool each year. I am including a link to this year's version. He does an excellent job of summarizing the key points made by Buffett and Munger. Read his article at:

<http://www.fool.com/news/commentary/2004/commentary040503wt.htm>