

---

# Inside Berkshire Hathaway's Spectacular Shareholders Meeting

**Date :** May 8, 2019

While most of her friends were back home in Calabasas, California, enjoying typical Saturdays at sporting events or just hanging out, Avalon Gross, who is 15, spent May 4, 2019, with tens of thousands of like-minded people in Omaha, Nebraska.

Avalon was surrounded by a stadium-sized venue, animated vendors selling souvenirs, and throngs of adoring fans, but this was no music fest or Comic Con. It was the annual shareholders meeting for Warren Buffett's Berkshire Hathaway, one of the largest public companies in the world. Dubbed Berkshire-palooza, it's much more than a mere meeting; it's a three-day extravaganza.

"I asked my dad one time if there was anyone who buys out companies and he said, 'Well, Warren Buffett does.' I was curious and he showed me some videos. I just thought it was really cool," said Avalon, who traveled to Omaha with her dad, Allen Gross.

"I own a few shares of Berkshire Hathaway and also other companies, too," she continued. "I buy them and I hold. I don't like to sell because I want to benefit from compound interest, and if I sell, I'll get taxed on it. My dad gives me advice on what to buy. He suggested I buy shares of Berkshire Hathaway, so I did. This is my second time here. It's great. This time is much better because it feels a lot bigger than it was last time."

As for Berkshire Hathaway CEO Buffett, who is 88 and still going strong (he shares the annual meeting stage with vice chairman Charlie Munger, who is 95)? "I can't believe he's so old and still doing what he does," added Avalon. "He's so amazing to me."

Spoken like a true Berkshire Hathaway investor. Buffett, the chairman and largest shareholder of Berkshire since 1970, is worshiped by many investors who praise his commitment to value investing (buying undervalued securities – which he refers to as 'outstanding companies at sensible prices' — and holding onto them) and his choice to live frugally, despite his incredible personal wealth. Buffett is worth a reported \$89.9 billion, making him the third-wealthiest person in the world.



Avalon and Allen Gross at the Berkshire Hathaway annual shareholders meeting in Omaha, Nebraska.

So, in honor of Avalon and the rest of the 30,000 devoted investors descending last weekend on Omaha, Nebraska, for three days of shopping swag from Berkshire-owned businesses, attending a shareholder dinner at Gorat's Steakhouse, and getting to hear from the main men themselves, here are 4 truths about the Buffett-Berkshire empire.

1. **Company Cred.** According to the *Barron's* finance publication, Berkshire Hathaway is the sixth most valuable U.S. company and likely the most diversified, which means it owns companies in a lot of different industries. It is a holding company for more than 100 subsidiaries, including GEICO, Pampered Chef, Dairy Queen and Fruit of the Loom. In addition to owning those businesses, it also maintains a portfolio of securities and investments in many big-name companies, like Apple, Coca-Cola and American Express. The company is headquartered in Omaha, where Buffett was born and has lived his entire life.

2. **The Omaha Advantage.** Every publicly traded company is required to have a meeting each year for its shareholders. When you invest in a company, you own a part of it. The leadership of that company is supposed to make decisions with its investors – or part owners — in mind. The annual meeting is typically the only time during the year that shareholders interact with company executives – and therefore they often get to ask questions and express opinions about the direction the company has taken. Attendees also vote on who should be on the board of directors and take care of other company business. The Berkshire Hathaway annual meeting, however, goes above and beyond. According to *Barron's*, Buffett and Munger “endure six hours of questioning from journalists, analysts, and shareholders alike on a wide range of topics. They address everything from their plans for Berkshire Hathaway, their thoughts on the stock market and political matters, and often general grandfatherly advice about life.”
  
3. **Capitalism Revealed.** You’ll hear the word “capitalist” a lot in reference to Warren Buffett and his businesses. In fact, Berkshire Hathaway’s annual shareholders meeting is considered the “Woodstock for Capitalists,” which is to say that it is a giant gathering of Berkshire Hathaway believers who largely embrace an economic system in which people and companies make most of the decisions and own most of the property, not the government. During this year’s annual meeting, Buffett reiterated his commitment to being a card-carrying capitalist. “I don’t think the country will go into socialism [a system that advocates collective or governmental ownership and no private property] in 2020 or 2040 or 2060,” he said.
  
4. **Best Investment Advice.** In addition to Avalon Gross, Knowledge@Wharton High School has met many young Warren Buffett fans through our KWHS Investment Competition. Like Buffett, our competition promotes a long-term investing strategy over short-term equity trading. So, for all those Buffett-inspired teams of high school student investors out there – like the 2018 global champion “All You Can Eat Buffett” – here is how the man himself feels investors should operate given the rising competition in the investment field. “It is much more competitive now than when I started,” Buffett said during Saturday’s annual meeting. “I would do a whole lot of reading about many businesses and figure out which ones I had some important knowledge and understanding that was different to most of my competitors. And I would try to figure out which companies I didn’t understand. It’s still an interesting game but it’s harder than it used to be...If you know one thing really well, it will give you an edge at some point.”

