

2011 Berkshire Hathaway AGM

May 11, 2011

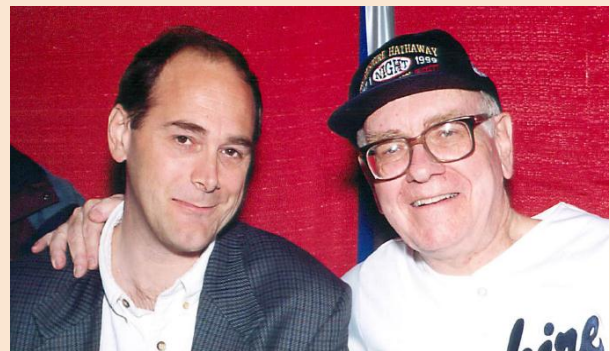


Berkshire Hathaway Inc. is the canvas onto which Warren Buffett has created his masterpiece, which stands as the greatest tribute to capitalism ever known. Born 9 months after the 1929 stock market crash, Warren is nostalgic about how he was conceived when business was slow for his father, a stockbroker. The ashes of the great depression gave rise to Warren's first-hand experience with the destructive forces of speculation and the wonderful rejuvenation that follows.

We're all influenced by the people and events we experience, and some of those influences can be profound. Buffett was profoundly influenced by experiences in ways that I was fortunate to have avoided. In contrast, my childhood was spent enjoying the freedom of the go-go years, during the 60's. Unlike the generation before me, I've had no direct exposure to war and the disruption it causes, or a great depression. Food, shelter and clothing have never been a concern. In fact, I've had it spectacularly easy!

Each year around the first Saturday in May I am asked, "Why are you going to Omaha?" I usually find some way to say I'm reconnecting, or getting my bearings. Some say I go to drink the Kool-Aid or I'm going for business reasons. To me it feels like I'm at home in Omaha.

In 1998 when I sat next to Warren for a photo, I blurted awkwardly that I was thankful for what he was doing with Berkshire. Buffett asked, "Oh, how's that?" I spoke my mind saying the advice he was sharing helped me to protect my family and clients. I felt pretty feeble offering my gratitude.



There I was earning a living redistributing Buffett's methods for avoiding the calamity of speculation, without actually having suffered the price of his experience. I took his word and told others and for that, I was earning my keep. A shameless copy cat!

At the time, I was 15 years into my career in financial services, having recently sold my general insurance brokerage. The late 90's presented an avalanche of cash to investors and their advisors, the likes of which has not been seen since. At the time I didn't realize how important the value discipline would be, but I liked the sound of it. I was conscious of riding on Buffett's coat tails and out of respect; I wanted to make myself worthy by earning the privilege.

The annual gatherings have been dubbed, the mecca of capitalism, a pilgrimage to see the Oracle, the Wizard of Omaha. The event has become the most well attended Annual General Meeting (AGM) in the world. There is a sense of camaraderie among shareholders because being a value based investor is a distinct way of life. We're generally contrarian and it can be a lonely experience when you don't hunt with the pack. Omaha brings value investors together, for thought leadership and continuing education, and it feels good to be part of it.

Over successive years, it became clear Warren and his best friend Charlie Munger seemed to enjoy tag team wrestling, taking turns beating up on investment advisors and business schools. I can humbly tell you, it's a terrible mismatch – the advisors and MBA's don't stand a chance! Most of the criticism from Warren and Charlie is directed metaphorically toward Wall Street, but the reproductive capacity for dispensing financial advice runs much wider and so the same net captures advisors, fortune tellers, and psychics alike from Wall Street to Bay Street. ([Read the whole story on how the Helpers fleece the Gotrocks family here.](#))

So imagine, here I am the proud owner of a couple of Berkshire "B" shares, paying about \$1,500 a year out of pocket to attend the AGM, to earn the privilege of protecting my family and clients, and it's like I'm crashing the party! So close, yet so far. It's a small price to pay for the value I get. The hospitality in Omaha looks beyond which street you come from and everyone is made to feel at home.

Knowing Warren and Charlie are right; that the advice channel extracts huge frictional costs in the operation of trade, I have to accept their contentions and behave accordingly. Armed with a strong sense of self-efficacy, my driving desire is to prove I make a positive exception! Only time will tell if I'm delusional in my thinking but I love the challenge of earning trust and making my practice worthy of admiration from the people I care about, including Warren and Charlie.

It is my belief that applying the principles practiced by Warren and Charlie will lead to fortunes fairly won and wisely used. For more information about the details of the [AGM, click here.](#)

David Atwood has provided financial services for the past 25 years, and he is the President of Talisman Investment Planning, which provides mutual funds through FundEX Investments Inc. The above noted thoughts and opinions are those of David Atwood and not necessarily shared by FundEX Investments Inc. David can be reached on the web at www.talismanip.com, by E-Mail using david@talismanip.com, or by phone at 519-434-8807.

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