

# Woodstock of Capitalism

Berkshire Hathaway Annual  
Shareholders Meeting, May 2026

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## Keeping up the Tradition

For the 21st consecutive year members of Spectrum Investment Advisors journeyed off to Omaha to attend the 61st Berkshire Hathaway Annual meeting.

Our group of three this year included James and Jonathan Marshall along with Paul Minick from Spectrum. We also met Butch Pomeroy, Chairman of the International Bank of Amherst for dinner on Friday night at Warren Buffett's favorite restaurant Gorat's Steakhouse which traditionally hosts the Berkshire Board of Directors dinner on Saturday night after the annual meeting.

## Thankful for the past 20 years

The following is an excerpt from our 2010 newsletter on our trip to Omaha when Warren Buffett was 79 and Charlie Munger was 86: *To have an opportunity to witness two legends answer questions for five hours, not only about the market but also about life, is truly a precious gift, one which won't go on forever, but the memories and experiences will.*

What a remarkable run it was to get another 13 years of meetings with Charlie and 15 years with Warren. Charlie passed away at 99 in 2023 and Warren stepped down from CEO at the end of 2025 at age 95.

*So what was it like not having Warren Buffett at the front table after 60 years?*

The simple answer is "different" but still worthwhile to attend. Warren Buffett's usual spot at the front table was taken up by Greg Abel, the new CEO of Berkshire Hathaway. The meeting lacked the big laughs Charlie and Warren used to get from the audience, but there were frequent echos of their investment mantras throughout the day. At 63, Greg is a 25-year veteran of Berkshire Hathaway and was the CEO for Berkshire Energy for 10 years. Jon and I were lucky enough to have a picture taken with Greg in 2023 which is displayed on our Spectrum 30-year timeline wall in our office. Greg was very friendly, smart and sincere. He definitely parks his ego at the door before entering. His excellent retention is Buffett-like.

There were fewer questions from the audience this year with two shorter 1¼ hour Q&A sessions with Becky Quick from CNBC as the moderator. The first Q&A session in the morning was answered by Greg Abel and Ajit Jain who is Vice Chairman of Berkshire insurance operations including GEICO Insurance. GEICO is one of Berkshire's top four holdings along with Burlington Northern Railroad, Apple, and Berkshire Energy. These four companies are responsible for approximately 46% of BH's pretax earnings. The afternoon session was answered by Greg Abel, Katie Farmer, President and CEO of Burlington Northern Railroad and Adam Johnson, President of Netjets and also Berkshire Hathaway Consumer Products, Service, and Retail businesses (32 companies).

*At the beginning of the meeting the crowd stood and applauded when Warren Buffett entered the room and sat before the stage in the front row with the Berkshire Hathaway's Board of Directors. He sat next to his daughter Susan. In honor of Warren and Charlie, two*

*giant jersey style banners were raised up to the rafters. Jersey #60 for Warren (60 years at BH) and jersey #45 for Charlie Munger (45 years at BH). According to Abel, the jerseys will be a permanent fixture in the rafters of the CHI Health arena (a nice touch). Today Warren uses a cane and struggles a little with his memory. Warren has been a furious reader for decades and he apparently now has someone read to him on occasion. What a wonderful job that would be to read to Warren Buffett.*

## Berkshire Update

Warren Buffett didn't need an ego boost but the fact that Berkshire Hathaway hit its all-time high the day before his surprise announcement at last year's annual meeting is telling according to Spencer Jahaf from the WSJ. Going forward, it's hard for a trillion-dollar company (10th largest in the S&P 500) to outperform the S&P 500 index. The upside for those that want growth with a "margin of safety", is that Berkshire Hathaway is sitting on \$380 billion of cash. In comparison, the "Magnificent Seven" companies (Alphabet, Amazon, Meta, Microsoft, Apple, Nvidia, and Tesla) combined hold about \$600 billion in cash. The \$380 billion in cash amounts to 31% of Berkshire's assets, a record high for Berkshire. This dry powder is a drag on current returns but provides an opportunity to deploy assets should the market correct in a big way. In addition, the cash at Berkshire Hathaway is supplemented with the insurance float of its insurance companies providing a huge competitive advantage. Even though Warren Buffett stepped aside, Greg Abel thinks in much the same way.

Greg Abel answered questions from the crowd of about 18,000 (vs 40,000 last year). In addition to the familiar Q&A sessions the meeting once again included shareholders touring approximately 35 exhibits of Berkshire's companies in the adjacent exhibit hall. Bottom line: Berkshire's culture has not changed.

*The following are answers to our favorite questions asked by both the audience alternating with Becky Quick from CNBC.*

### Question: When would you deploy and invest the 380 billion of cash?

**GA (Greg Abel):** Berkshire Hathaway is sitting on a growing pile of cash and has a short list of companies to buy. Berkshire Hathaway is interested in buying either part or the whole company at the right price. There will be dislocations in the markets that will allow us to act. In addition, to U.S. companies, Berkshire Hathaway now owns approximately 10% of six Japanese companies that have very strong management teams. The latest addition is Tokyo Marine which is a P&C insurance company.

### Question: What are the earnings results of Berkshire Hathaway?

**GA:** Berkshire Hathaway posted strong earnings in the first quarter 2026. Operating earnings were 18% above first quarter earnings in 2025. Results were helped by a relatively calm quarter in terms of insurance claims and generally strong performance across most of our businesses including BNSF Railway.

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## Question: Is Berkshire Hathaway using AI as a tool to improve the company?

**GA:** Yes and we have highly skilled engineers that we have brought in to help us. The goal is to solve logical challenges in a more efficient fashion. The question is how to manage it. We have three important principles associated with AI. First, we have our employees, our senior management involved in implementing the recommendations. Second is what we call "safeguard", making sure we have governance in place and consistent results in the AI outcomes. Third, it has to be additive to our businesses. We're not going to do AI for the sake of AI.

## Question: How is AI impacting your energy business?

**GA:** It is an opportunity. We'll do it in a way where we're not going to impact the costs of our other customers. The data centers have to bear their full cost. That's a principal we've applied across all our utilities from the very early goings when we're building data centers. If you think of data center inflation challenges, I strongly believe we are managing that separately. MidAmerica (a BH company) has several data center customers, yet consumer rates are around 40% below the national average.

## Question: Tell us about your \$288 billion Berkshire Hathaway's stock portfolio?

**GA:** Our largest holdings are Apple, American Express, Bank of America, Coca Cola, and Chevron. Warren and I discuss potential stock purchases together in Omaha on a regular basis. We are constantly evaluating it, but we are very, very comfortable with the existing portfolio. (After the meeting, it was revealed that Berkshire had tripled its position in Alphabet, Google's parent company, to a \$23 billion stake. At 9% it is now the third largest position in Berkshire's stock portfolio.)

## Question: Would Berkshire Hathaway consider insuring ships that pass through the Strait of Hormuz in the Persian Gulf?

**Ajit Jain:** The short answer is it depends on the price (with a laugh from the crowd for his Charlie Munger-like answer). We have a price and would require a U.S. Navy escort, but we haven't written any deals yet.

## Question: Tell us about the operation of your Burlington Northern Railroad?

**Katie Farmer:** Burlington Northern (BNSF) has railroad tracks in 28 states and is the largest freight railroad in the United States. BNSF is not only an asset to BH but an asset to our entire country (which was a line from a Thanksgiving letter written by Warren Buffett last year). I have worked at BNSF since I was 20 years old and worry about passing it on to the next generation over the next 100 years. BNSF has become much more efficient. Forty years ago it took 4-5 engineers to run a train where today it only takes two.

## Warren Buffett's comments:

*During the noon break, Warren Buffett was interviewed off stage by Becky Quick from CNBC. It was shown on the three giant TV screens in the arena.*

**WB:** This is not my show today; Greg is doing everything I did and then some and he's doing it better in all cases.

## Becky Quick: Ajit talked about how one of his keys is to do nothing.

**WB:** Absolutely. Nobody can tell us what to do exactly. Sometimes we're doing nothing. Other times we get quite active. We can pick our spots. The world is full of people that are offering you things to do, the question is to find one that makes sense.

## Becky Quick: Are there businesses that you like, just not at these prices?

**WB:** Yes. I understand fewer of the businesses as a percentage of the whole than I did 10 years ago. I don't kid myself on that. I've compared markets to a church with a casino attached. I always say there are more people in the church, but the casino has gotten very attractive to people.

## Becky Quick: The best opportunities probably come when the macro environment leads to panic?

**WB:** The most likely time to buy things is when nobody else will answer their phones. But it's not a pleasant experience in the moment. It's like after going through a slaughter house, you don't feel like eating hot dogs for a while.

## Becky Quick: Is there anything out there now that may lead to a panic?

**WB:** You don't worry about what people are talking about can happen. It's something that comes out of the blue. It's good to be cognizant of it, but I don't think it does any good to worry about it. The worrying about it is terrible.

## Becky Quick: We are celebrating 250 years of the United States. You pointed out that you've been around for 95 of them. What do we need to do to preserve it?

**WB:** We've got a special sauce. It's such a good secret that I don't know what exactly it is. I do know this, that anybody that has a choice would choose to be born in America. Is there any other country that people have consistently wanted to emigrate to over the last 250 years? It doesn't mean that we can't do better, but somehow it's worked.

## Becky Quick: There are thousands shareholders in the arena, some who have been coming for decades. Is there a message you'd like to give to them?

**WB:** Do unto others as you'd have them do unto you. Nobody has said it any better in 2,000 years. If the whole world lived by the golden rule, it would be such a more wonderful society. And it doesn't cost you anything.

## Final thoughts:

At the beginning of the meeting, Warren shared the story of Apple, which is celebrating its 50th anniversary. He said Tim Cook took over for founder Steve Jobs 14 years ago. Very few people knew who Tim was at the time. Ten years ago, Berkshire invested \$35 billion in Apple. That investment grew to \$185 billion under Tim Cook's leadership. It was a deserved tribute to Tim, who was in the audience, but also Warren's way of providing a vote of confidence to both Greg Abel at Berkshire, and John Ternus, who will take over for Tim Cook as Apple's CEO on September 1st this year.



The first annual meeting without Warren Buffett was a calm, comforting experience. Greg Abel reiterated his commitment to Warren Buffett's principles and the company's culture. It was a confident message that the Berkshire shareholders needed to hear. Warren Buffett picked the right guy in Greg Abel. We hope he stays for a long time.