

As a long-time attendee of the Berkshire Hathaway annual meeting – I went to my 21st consecutive one on May 5, 2018 – my friend Lawrence Cunningham invited me to contribute a chapter to his new book, [The Warren Buffett Shareholder: Stories from inside the Berkshire Hathaway Annual Meeting](#). Below is what I wrote and here I am with two dozen of the other contributors outside the CenturyLink Center on May 5:



Whitney Tilson, A Reception for All

I have attended Berkshire Hathaway annual meetings since 1998, a few months before I started managing money professionally. I don't have a strong recollection of that first meeting itself, but do recall that it was a lonely weekend. It seemed like everyone else knew each other and were going off to fun dinners on Friday and Saturday nights. But I didn't know anyone so I ate by myself and went back to my hotel room both evenings. I felt like a loser.

Thankfully, I didn't get discouraged and have had better experiences every year since. But I never forgot that feeling – and didn't want anyone else to ever feel the way I did that weekend in 1998 – so a few years later I rented a ballroom on Friday evening, Saturday afternoon, and Sunday morning and extended an open invitation to all Berkshire shareholders to come meet and mingle with other shareholders. I continue to do this every year, so please join me!

Over the past 20 annual meetings, I have learned so much about investing from Buffett and Munger, who are truly gifted teachers, able to make even complex topics understandable. There is no doubt in my mind that I wouldn't have achieved anything close to the success I did – beating the market regularly my first decade and growing assets under management from \$1 million to \$200 million – had I not attended every annual meeting and absorbed their investing lessons.

But the *non-investing* lessons I learned at all of those meetings have had an even bigger impact on my life. The “worldly wisdom” they imparted has made me a much happier, better person – a better son, husband, father and friend – than I otherwise would have been.

Over more than two decades, I’ve come to realize that value investing is like a religion: it has a revered founder (Ben Graham), pope (Buffett), senior cardinal (Munger), Old Testament (*Security Analysis*), New Testament (*The Intelligent Investor*), a set of norms and values such as kindness and integrity, and thousands of passionate disciples (like me) who study all the historical texts and carefully analyze all the new teachings. I’m only sort of joking when I say that I pray in the church of Graham, Dodd, Buffett and Munger.

Viewed in this context, it’s clear that the Berkshire annual meeting is a cross between a religious revival meeting and a pilgrimage, in the same way that Muslims go to Mecca and Jews to Jerusalem. For members of these religions, it’s an obligation to do the pilgrimage at least once in their lives to deepen their faith, make new friends and reconnect with old ones. This is what the Berkshire meeting is for me and the worldwide community of value investors.

One reason some people come to the meeting is the opportunity to ask a question. In the old days, when only a few thousand people attended, anyone who wanted could ask one but that slowly changed as the crowds grew. In addition, as Buffett and Munger (and the meeting) became more famous, people who sought attention or had an ax to grind would rise at 4:00 a.m. to get in line first at the microphones. The result: an increasing number of dreadful, self-serving questions.

To address this, Buffett started a lottery system at each microphone, so there was no longer any benefit to getting there in the wee hours and, later, allowed a panel of analysts and reporters to ask questions. These steps greatly reduced the number of nutty questions – but also thoughtful questions from regular shareholders. Therefore, I had to come up with clever strategies to get my questions in – and they worked: I’ve asked eight questions in the past 15 years, which I’d guess is far more than anyone else.

In the first-to-the-mic days, it was easy: I went to the overflow room (in which Buffett and Munger were on a big screen rather than live) where there was no line at all. Most people wanted to be in the arena to feel the excitement, and the nutty people wanted to be seen by everyone so I was able to ask my question with no problem

Even after Buffett implemented the lottery system, the overflow room was still the place to go because only a half dozen or so people put their name in the lottery versus dozens at every mic in the main arena. Given that the first three people selected generally got to ask questions, my odds were good and I was often able to ask my question.

My partner, Glenn Tongue, would put his name in as well, so we doubled our chances that one of us would win. Once we knew that one of us was in the top three, we’d work together to come up with a great question.

In 2013 my wife Susan came to the meeting for the first time, so we put her name into the lottery too. She didn't want to ask a question, but I told her if she won, I'd take her spot. But, when she did win, the mic monitor said that no substitutions were allowed. She was very stressed, but came up with and asked a great question:

"I have three daughters and want them to be able to do anything, but in the business world there still seems to be a glass ceiling. Do you think this is a problem and what should be done about it?"

She didn't know it, but the timing of her question was perfect, as only two days earlier Buffett had published an essay in *Fortune* entitled, "[Warren Buffett is bullish . . . on women.](#)" He leapt into the question and gave a long and thoughtful answer stressing points he made in the article, such as:

The closer that America comes to fully employing the talents of all its citizens, the greater its output of goods and services will be. We've seen what can be accomplished when we use 50 percent of our human capacity. If you visualize what 100 percent can do, you'll join me as an unbridled optimist about America's future.

So many people came up to Susan after the meeting and told her what a great question it was – she was walking on air for the rest of the weekend!

The final reason I always come to Omaha are the many side meetings, where I enhance my learning and meet interesting people. Many are exclusive affairs (like Munger's dinner Friday night or Buffett's dinner on Saturday night); some are invitation only but it's not too hard to get an invite (like the party Andy and Pat Kilpatrick used to host on Saturday nights); and some are open to all (like my events on all three days, the Yellow BRKER gathering on Friday afternoon, and the Markel meeting on Sunday).

The most valuable side meetings I attended were organized by my friend Phil Terry, founder and CEO of Collaborative Gain. In both 2016 and 2017, he invited a group of two dozen internet startup CEOs to come to the annual meeting so they could learn leadership lessons. At both gatherings, Phil invited me to give a presentation on Munger's worldly wisdom, which I was delighted to do. But the real treat both years was hearing the next speaker, Sam Taylor, the CEO of Berkshire's Oriental Trading subsidiary. Phil's account of Sam's remarks appears in his contribution to this book, so I will not repeat the story, but suffice it to say that they were magnificent and moving.

In conclusion, I am deeply grateful for all that Buffett and Munger have taught me – so much so, in fact, that I am writing a book about the worldly wisdom I've learned from them.

Whitney Tilson is the Founder and CEO of Kase Learning, through which he teaches seminars on value investing, entrepreneurship and worldly wisdom. He was a contributor to *Poor Charlie's Almanack* and co-authored two books, *More Mortgage Meltdown* and *The Art of Value Investing*.