

To: Secanta Capital Partners

From: Richard Schäli

Subject: **Reflection Meeting w/Warren Buffett on May 3rd**

This was my first time attending the Berkshire Hathaway shareholder meeting. Arriving early Thursday afternoon, we rushed from the airport to the famous Farnam 3555 office. What appeared to be just another office building was home to probably the most successful company in human history.

In a small office of 25 people on the 14th floor a crowd of every-day people run Berkshire Hathaway, the \$500 billion conglomerate. Warren with his welcomingly warmth and humor, gave us a tour of the office. Walking through the aisles, you feel like you are traveling back in time, back to the 70s. The interior doesn't seem to have changed even the slightest. Every monumental step of Warren's 80-year career, every document and photograph has been captured in this narrow, 10 meter aisle. While the company has grown by 200 fold when this office was first incorporated, structurally not much changed. I think we all have a lot to learn from this culture based on frugal and lean humility.

After kickstarting my stay in Omaha with a meeting with Warren, it did not end there. In the brief 40 hours leading up to Saturday, I had the opportunity of meeting Charlie Munger, Bill Gates, and several other renowned investors and managers that corporate america houses. I can now say that I really met them all

What fascinates me most about all the "greats" I've met is the immense consistency that each of them has displayed throughout their lives. That seems to be the common thread that runs through all of these careers. The basics of focus, simplicity, persistence, total integrity, repetition of what works, picking good basic businesses, and having high quality people to associate with works anywhere.

Warren is the best example of how that consistency has worked really well. Ever since Warren, as a twelve-year-old boy, bought his first stock, he has been a passionate and committed investor, following the same timeless principles and refining them as he came across adversities, but always striving for improvement. Over the years, not only did his knowledge

compound into the wisdom that now sets him apart from millions of other investors, but so did his track record, with a cumulative return of 3,786,000%, compared to the S&P 500's 24,700%.

None of this would have been possible if he had not been a lifelong learner who was staying true to his core values of consistency and humility. Thousands of Berkshire disciples have come from far and wide to embrace these values. It is a truly unique social phenomenon that Warren has created. It's just not your ordinary shareholder meeting, it's a festival!

However, as this era draws to a close, I don't have much hope that the legacy of this annual shareholder festival will live on. I am very grateful that I was able to experience this once. A few decades from now, I will look back on that trip to Omaha as probably one of the very defining moments in my life that left me with a clear lense of where I want to go next.

As I listened to Warren and got a sense of what he got to spend his life on, I knew I wanted to be just like him. Not exactly like him, but I could immediately understand what joy is involved in building a Berkshire. I, too, want to spend my life building a collection of wonderful businesses led by extraordinary people I meet along the way.

I'm not wired the same as Warren and far from Charlie's sheer brilliance, but the more I learn about the business of picking businesses, the more excited I get about all the opportunities it opens up. As an investor, you meet a whole bunch of people. I can't think of a more enjoyable game than distinguishing the truly brilliant from the merely ordinary, and then selectively surrounding myself with those individuals I genuinely like.

I have a head start in many respects - but instead of being content assuming the path forward will be effortless, I want to use that head start to build something going far beyond what has been created to date. Will it be the next Berkshire? I don't think so. Can my acumen make it happen? That remains to be seen.

And while life will try to throw rocks at big dreams like that, all I surely have is tenacious determination to get something done. Something big.

Let's check the scorecards in 20 years time.

Best,
Richard