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Monthly Insights – May 2026

Berkshire Hathaway: The Legacy Continues

The 2026 Berkshire Hathaway AGM was always going to feel different. It was the first since Warren stepped down as CEO, with the man himself watching from among the directors rather than presiding over the main stage.

Various estimates put attendance down by roughly one-third from last year's record, but shareholders' appetite for merchandise was undimmed. Takings in the Exhibition Hall on Friday afternoon were broadly in line with 2024 at $1.5 million — a reasonable return for a five-hour trading window.

Greg Abel delivered an assured performance, and, on substance, the meeting was the most informative on Berkshire's operations for many years. While it lacked Buffett's folksy storytelling, Abel sensibly chose to play to his strengths rather than attempt a pale imitation. After nearly three decades inside Berkshire, he understands the importance of staying within his Circle of Competence as well as anyone.

There was a notably candid discussion about the underperformance of GEICO in insurance and the BNSF railroad relative to their competitors. There remains scope for significant operational improvements at both, particularly through greater investment in technology and data capabilities. There was also a clear sense that accountability for subsidiary performance may become more rigorous than under Buffett's famously hands-off approach of "delegation to the point of abdication".

While not on the main stage, Buffett did take the floor microphone to invite shareholders to give Tim Cook a standing ovation ahead of Cook's own eventual retirement from Apple. When Cook succeeded Steve Jobs in 2011, many questioned whether an operations focused executive could successfully follow a visionary leader. Apple subsequently delivered a roughly 20x return for shareholders over the following 15 years. While such spectacular returns may be beyond Berkshire, the inference was clear. Greg Abel might not be Warren Buffett, but he can still do a very good job for shareholders.

Berkshire retains a combination of attractive attributes — durable cash generation, a fortress balance sheet, a decentralised operating model, and a long-term orientation that very few companies can match. The shares have nonetheless been left behind by the market over the past year. The pattern feels familiar. In the post-pandemic period, Berkshire lagged an exuberant US market and was, for a time, written off — before delivering strong relative performance through 2022 as the cycle turned.

With so many portfolios now highly exposed towards US technology and AI stocks, an allocation to the kind of high quality but unfashionable businesses that Berkshire embodies looks increasingly sensible.

David Beggs,
19th May 2026

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