

# **Berkshire Hathaway Investment Portfolio Analysis**

**Subject:** Investment Portfolio Holdings and Performance Analysis, with a Focus on the Fallacy of Guessing by Warren E. Buffet

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## **INTRODUCTION**

An analysis of Berkshire Hathaway's (BRK) investment portfolio reveals a conservative approach, DRIVEN BY BUFFETT, that prioritizes value over short-term trends. While the portfolio has demonstrated significant long-term success, a review of recent financial data and specific holdings, such as **Kraft Heinz (KHC)** and **UnitedHealth Group (UNH)**, provides evidence that even the most successful investors cannot bathe in utopia immune to market volatility and investment losses. This data supports the principle that "guessing" on stock performance based on past results or hunches is a flawed and unreliable strategy.

**Instead of distributing dividends to stockholders from its massive cash accumulation, warren buffett entered into a stock picking guessing game, that totally violated the principles that were the bedrock of adding subsidiaries and then add-on acquisitions for each.**

**WHEN DID BUFFETT ALL ON HS OWN, DECIDE TO BE COME A STOCK PICKER?**

**STOCKHOLDERS USING THE CASH PROCEEDS OF DIVIDENDS COULD HAVE PICKED THEIR OWN STOCK CHOICES.**

**MOST IMPORTANTLY, BY BUFFETT DECIDING ON BEHALF OF BRK, TO JUST HOARD CASH, AND NEEDLESSLY START BUYING STOCKS ON HIS WHIM, THE FAILURE TO PAY OUT DIVIDENDS RUNS THE RISK OF BEING ASSESSED BY THE IRS OF A POSSIBLE RETAINED EARNINGS TAX OF A STAGGERING \$121.4 BILLION, FOR NOT**



## **PAYING THE EXCESS RETAINED EARNINGS TO STOCKHOLDERS AS DIVIDENDS.**

## **THE BOARD'S FAILURE TO OVERSEE IN THEIR FIDUCIARY RESPONSIBILITY OF REIGNING IN MR. BUFFETT'S WHIMS STAND TO BE QUESTIONED.**

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### **Buffett's GM Exit and the Myth of Long-Term Conviction**

Berkshire Hathaway's investment in General Motors illustrates the inconsistency of Warren Buffett's philosophy. Beginning in 2012, Berkshire built a substantial position, peaking at nearly 50 million shares valued at \$1.7 billion by early 2023. Yet instead of demonstrating Buffett's vaunted "**forever**" conviction, the position was slowly dismantled, with the final 22 million shares dumped by late 2023 at an average of \$35.53.

This was not visionary timing but a muddled dance of buying high, selling low, and drifting sideways. Berkshire entered aggressively at \$25–\$32, added more at higher prices, then exited amid uncertainty about the EV transition, labor risks, and Tesla's dominance. Rather than foresight, the GM saga reveals hesitation and miscalculation, ending with an unceremonious retreat.

### **Kraft Heinz: The Billion-Dollar Albatross**

If GM exposes Buffett's indecision, Kraft Heinz exposes his conviction gone wrong. The 2015 merger, co-engineered with 3G Capital, was heralded as transformative. Instead, it turned into a cautionary tale: by 2019, shifting consumer preferences and operational blunders forced a \$3.76 billion impairment, a permanent acknowledgment of strategic failure. Kraft Heinz demonstrates the fallacy of Buffett's guessing: assuming that iconic brands insulated from innovation would deliver perpetual returns. It stands as a stark counterpoint to his myth of patience — proof that "**forever**" can mean holding onto stagnation.

### **The Concentration Trap**

Berkshire's current portfolio makes clear that Buffett's approach is not diversification but hyper-concentration. Apple alone accounts for over 31% of equity value, with American



Express and Bank of America pushing the top three holdings to more than 64%. Coca-Cola remains a sentimental anchor at 13%, even as consumer tastes evolve.

**Far from resilience, this concentration magnifies risk:** any stumble at Apple or a financial shock in the banking sector would inflict disproportionate pain. Buffett's defenders call this "deep conviction." In reality, it is reckless exposure masquerading as discipline.

The Fallacy of Guessing, Buffett's Way

Buffett himself warns against the "fallacy of guessing" — the gambler's delusion that past outcomes predict future results. Yet his own record contradicts the lesson: GM was exited not with foresight but with anxiety.

Kraft Heinz clung to past brand dominance while consumer trends moved on.

Berkshire's 11 straight quarters as a net seller reveal not courage but strategic paralysis, building a record cash hoard rather than acting decisively.

**This is not disciplined foresight; it is pussy-footing disguised as patience.**

### **What a Modern Conglomerate Would Do**

Contrast Berkshire with a firm like Johnson & Johnson. Instead of personalistic bets, J&J deploys a systematic, committee-driven acquisition model:

**Strategic alignment:** Acquiring smaller firms to fill gaps in pharma or medical devices.

**Decentralized decision-making:** Committees of executives, lawyers, and analysts vet deals with hard metrics.

**Financing discipline:** Using debt, stock, or structured cash to maximize value — not hoarding billions for decades.

This is corporate development rooted in process, not personality. Berkshire, by comparison, remains a relic of one man's convictions, dangerously exposed to his blind spots.



## Abel's Task: Breaking Free from Buffett's Shadow

As Buffett recedes, Greg Abel inherits a company weighed down by concentration risk, billion-dollar missteps, and an aging philosophy. The cash hoard — once portrayed as discipline — now symbolizes inertia. Abel must transform Berkshire into an M&A-led conglomerate, anticipating merger waves, institutionalizing acquisitions, and diversifying intelligently.

Failure to pivot risks turning Berkshire into a stagnant monument to Buffett's contradictions, remembered not for enduring value but for the cost of clinging too long to a failing doctrine.

## The Price of Mythmaking

GM and Kraft Heinz are not footnotes — **they are case studies in Buffett's flawed investment style.** His concentrated bets, guesswork disguised as conviction, and refusal to adopt modern corporate development principles have left Berkshire vulnerable.

The 2025 losses are not accounting quirks; they are the inevitable result of an outdated philosophy.

Buffett's legacy may be revered in folklore, but the evidence shows a leader whose methods calcified into caution, contradiction, and costly inertia. For Berkshire to thrive, Abel must abandon the myth and embrace a systematic, M&A-driven future.

## ### Buffett's Centralized Conviction Model: A Flawed Legacy

Berkshire Hathaway's filings reveal not a broad-based, dynamic conglomerate, but the reflection of one man's personal convictions. Its equity portfolio is highly concentrated, hinging on Buffett's idiosyncratic bets rather than a coherent, forward-looking corporate development strategy.

**\* \*\*Apple Inc. (AAPL):\*\*** Over 31% of Berkshire's portfolio — \ \$82.7 billion — is parked in a single consumer-tech giant. This is not the product of institutional diversification but of Buffett's personal fixation. Such concentration exposes shareholders to outsized risk if Apple falters, undercutting the supposed stability of Berkshire's model.

**\* \*\*Bank of America Corp. (BAC):\*\*** At nearly \ \$40 billion, this is less a calculated acquisition than a macroeconomic punt on the U.S. financial system. It reflects a simplistic thesis, not strategic positioning through control or synergy.

**\* \*\*Occidental Petroleum Corp. (OXY):\*\*** The 255 million shares demonstrate opportunism masquerading as strategy. Rather than orchestrating acquisitions to build



energy capabilities, Buffett has chosen to make outsized market bets, exposing Berkshire to commodity cycles.

\* **DaVita Inc. (DVA):** A 43% stake, nearing control, shows the paradox of Buffett's approach: he prefers to wield influence without integrating assets. This halfway strategy leaves Berkshire with responsibility but not operational leverage, undermining the very rationale of conglomerate building.

In short, Berkshire's portfolio is not the outcome of **institutionalized M&A principles**. It is the artifact of Buffett's personality — centralized, conviction-based, and increasingly outdated.

### ### The Case for Systematic Corporate Development

Contrast this with what a modern M&A-driven conglomerate would do. Rather than waiting for "fat pitches" or doubling down on personal favorites, Berkshire could leverage a **systematic, data-driven acquisition framework**:

\* **Quantitative Screening:** Using metrics like P/E ratios, debt levels, and cash flow to surface genuinely undervalued targets, while avoiding the trap of investing in distressed firms or fading industries.

\* **Anticipating Merger Waves:** Proactively scanning industries undergoing technological disruption, regulatory shifts, or consolidation, positioning Berkshire to acquire strategically rather than reactively.

\* **Avoiding Deal Fever:** Replacing Buffett's personality-led valuation calls with rigorous DCF, comparable, and precedent analyses — disciplined guardrails enforced by committee and board oversight, not the whims of a single man. Such a process would align Berkshire with best practices in corporate development — reducing concentration risk, seizing growth opportunities, and insulating the company from the blind spots of one leader's worldview.

### ### Buffett's Personalism vs. Abel's Imperative

The weakness of Berkshire's model is that it rests almost entirely on Buffett's intuition. This concentration of decision-making authority is not sustainable. As Buffett exits, Greg Abel inherits both the **freedom and the burden** to shift Berkshire away from Buffett's conviction-driven style toward an **institutionalized acquisition machine**.

Without this pivot, Berkshire risks ossifying into a hollow monument to Buffett's philosophy — weighed down by concentrated bets, cash hoards that gather dust, and a strategy that confuses inertia for wisdom.



## From Conviction to Strategy

Buffett's legacy is one of **centralized conviction over systematic process**. The Apple and Bank of America bets illustrate concentration risk; the Occidental and DaVita positions highlight half-measures that stop short of real corporate integration. Meanwhile, opportunities for proactive M\&A have been squandered under the weight of Buffett's "patience."

If Abel does not replace Buffett's personalistic, conviction-heavy model with a **disciplined, team-driven, merger-wave strategy**, Berkshire will remain vulnerable to the very flaws that defined its founder's twilight years. The time for mythologizing Buffett's philosophy is over; the time for building a modern M\&A powerhouse is now.

### ### **Buffett's Contradictions Exposed:** The Airline Retreat as a Strategic Failure

A review of Berkshire Hathaway's transactions between 2019 and 2021 reveals a startling pattern that undermines Warren Buffett's carefully cultivated image as the ultimate long-term investor.

**\* \*\*Massive, Swift Exits:\*\*** In Q1 2020, Berkshire abruptly liquidated its multi-billion-dollar stakes in American, Delta, Southwest, and United Airlines. These were not marginal bets but substantial holdings that had been publicly framed as aligned with Buffett's long-term confidence. Their fire-sale exit represented not calm discipline but **Reactive panic**.

**\* \*\*Clinging to Core Holdings:\*\*** By contrast, Berkshire's entrenched positions — Bank of America, Apple, Kraft Heinz — were left untouched, reflecting a stubborn attachment to familiar giants, even when some (Kraft Heinz, most glaringly) have underperformed disastrously.

**\* \*\*Token Gestures Elsewhere:\*\*** Small positions, such as in RH, DaVita, and VeriSign, remained as window dressing — hardly evidence of bold capital deployment.

**This transaction record exposes a deep inconsistency:** Buffett loudly preaches "buy and hold forever," but when the pandemic hit, he **abandoned entire industries overnight**.

The contradiction is striking: patience for stagnating legacy bets, but sudden capitulation where conviction should have mattered most.

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### ### The Buffett Doctrine in Tatters

Buffett's defenders frame the airline exit as rational adaptation to a permanently impaired sector. Yet, viewed through the lens of corporate strategy, it represents something more corrosive: **\*\*an incoherent philosophy collapsing under pressure\*\***.

\* **\*\*“Forever” Was Never Forever:\*\*** The airline liquidation revealed Buffett's doctrine as situational rather than principled.

**If his “forever” mantra can be so easily discarded, then his philosophy becomes hollow branding, not a true compass.**

\* **\*\*Crisis Reaction, Not Strategic Foresight:\*\*** A corporate leader rooted in long-term fundamentals would have evaluated how airlines could restructure, consolidate, and adapt post-pandemic.

**Instead, Buffett chose **\*\*capitulation over conviction\*\***, ensuring Berkshire missed the sector's partial rebound.**

\* **\*\*Patience for the Wrong Assets:\*\*** Buffett's refusal to cut exposure to Kraft Heinz, a serial underperformer, while fleeing airlines, underscores his selective application of “discipline.” **It looks less like wisdom and more like **\*\*sentimental inertia\*\***.**

### ### From Airlines to 2025: A Pattern of Hesitation and Missteps

The airline fiasco fits into a broader narrative that stretches to Berkshire's **\*\*2025 losses\*\***:

\* **\*\*Kraft Heinz write-downs\*\*** continue to haunt the portfolio, a reminder of Buffett's overconfidence in tired consumer brands.

\* **\*\*Foreign exchange and insurance losses\*\*** compound the weakness of his defensive, cautious style.

\* **The **\*\*\$344 billion cash hoard\*\*** remains a monument to inaction, evidence of Buffett's inability to pivot into aggressive M\&A or high-growth sectors.**

**These failures are not random — they stem from Buffett's **\*\*pussy-footing approach\*\***, where boldness is sacrificed for the illusion of prudence.**



### ### Abel's Inheritance: Breaking from the Myth

As Warren Buffett edges into retirement albeit slowly, Greg Abel faces the monumental task of **breaking free from a flawed orthodoxy**.

If Abel simply preserves Buffett's habits — paralyzing caution, selective risk-taking, sentimental loyalty to failing bets — Berkshire risks ossifying into irrelevance.

**The announcement after the Annual Meeting that Mr. Abel will very much follow the flawed orthodoxy of the aging CEO, contributed to a significant stock price decline.**

To restore momentum, Abel will need to:

- \* Treat capital as an engine for growth, not a relic to be hoarded.
- \* Pursue **decisive acquisitions** that diversify Berkshire beyond stagnating sectors.
- \* Replace Buffett's doctrine of "**forever**" with a pragmatic strategy that balances holding conviction with **timely adaptation**.

### The Price of Contradiction

The airline sell-off was more than a portfolio adjustment — it was a **crack in the Buffett mythos**. **By contradicting his own philosophy, Buffett exposed the fragility of his approach. Combined with Berkshire's recent financial stumbles, it is increasingly clear that his legacy is less about timeless wisdom and more about the cost of an outdated philosophy clung to for too long**.

The future of Berkshire now hinges on whether Greg Abel can escape Buffett's shadow — or repeat his mistakes on an even larger stage.

### ### The Cracks in Buffett's Philosophy: Berkshire Hathaway's Stumbles Exposed

In the first half of 2024 and 2025, Berkshire Hathaway reported staggering swings in earnings, culminating in net losses of **\\$4.6 billion in Q1 2025** and **\\$12.37 billion in Q2 2025**.





While Warren Buffett has long dismissed such volatility as an accounting illusion under GAAP rules, the fact remains that Berkshire's results reveal a deeper fragility in his philosophy — one that leans on patience and restraint rather than decisive corporate development strategy.

The sharpest pain came from **\*\*insurance and reinsurance underwriting losses\*\*** in 2025, combined with investment write-downs — most embarrassingly in **\*\*Kraft Heinz\*\***, one of Buffett's most high-profile flops.

Add to this nearly **\*\*\$900 million in foreign exchange losses\*\***, and the picture looks far less like a momentary blip and more like the cost of a leader unwilling to adapt.

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### **### The Buffett Doctrine Under Fire**

Buffett's defenders argue that these losses are "paper losses," irrelevant to the long-term value of Berkshire. **But the weakness lies precisely in his **\*\*rigid adherence\*\*** to a creed that is no longer suited to the dynamics of modern corporate strategy:**

**\* **\*\*Intrinsic Value Myopia:\*\***** By focusing narrowly on "intrinsic value" and shunning market-driven timing, Buffett has allowed Berkshire's reported earnings to swing wildly, eroding investor confidence. In a market where perception and valuation drive growth capital, this conservatism is self-defeating.

**ALSO, AND MOST TROUBLING WAS THE BLIND ACCEPTANCE OF ALLOWING BUFFETT TO BE THE SOLE, DECISION MAKER OF WHEN TO BUY-BACK BRK STOCK, SOLELY AT HIS WHIM WHEN HE THOUGHT THE INTRINSIC VALUE OF THE COMPANY EXCEEDED THE STOCK PRICE.**

If that was the case, why did he allow the CONGLOMERATE DISCOUNT TO ATTACH ITS CLAWS INTO BRK WITH ABSOLUTELY NO BOARD OVERSIGHT?

**\* **\*\*Circle of Competence = Circle of Stagnation:\*\***** Berkshire's portfolio remains shackled to familiar industries — finance, energy, consumer goods — while Buffett has systematically missed transformative waves in technology, biotech, and AI. **His refusal to**



**engage outside his comfort zone has locked the firm out of growth engines that competitors now dominate.**

**\* \*\*Patience as Paralysis:\*\*** Berkshire's record-high **\*\*\**\$344 billion cash hoard**\*\*** epitomizes Buffett's indecision. Instead of deploying capital into bold acquisitions or strategic investments, Berkshire is content to sit on cash EARNING A PALTRY 4%+, INSTEAD OF USING IT TO ACQUIRE WELL RUN ADD ON COMPANIES FOR EACH OF THE SUBSIDIARIES LIKE HE STATED OVER THE YEARS WAS THE MANTRA FOR BRK.

**Buffett's used the false excuse that BRK's revenues are so large (\$371 Billion in 2024) HE, ( note "HE"), not the complacent Board of Directors, but HE could not find any business to acquire that would "move the needle".**

**WE CONTRADICTED THAT STATEMENT EASILY AS A FALSE CHARACTERIZATION OF REALITY, AND PRESENTED HIM WITH SEVERAL WELL KNOWN PUBLICLY TRADED COMPANIES THAT HAD REVENUS IN EXCESS OF \$150 BILLION EACH AND TRADED AT AN AVERAGE HE PE RATIO OF 5-9x...AND COULD BE REASONABLY EASLY PURCHASED USING NO CASH, BUT JST BRK STOCK FOR STOCK TAX-FREE TENDER OFFER.**

**NOT ONLY WOULD THOSE ACQUISITIONS "MOVE THE NEEDLE" BUT THEY WOULD DOUBLE THE REVENUES OF BRK.**

**That is our firm's moto, suggesting to businesses how to double their revenues every year through acquisitions!**

**IT COULD EASILY WORK EVEN FOR BRK!**

**WE RECEIVED NO ANSWER OR COMMENT FROM THE ORACLE OF OMAHA.**



**WE ALSO MADE A RECOMMENDATION TO PAY OUT A CASH DIVIDEND, TO ALL STOCKHOLDERS, AND TO SPIN OFF PRO-RATA AS PUBLICLY TRADED STOCK, ALL THE SHARES IN THE SUBSIDIARIES, WHILE RETAINING BRK AS AND INSURANCE HOLDING BUSINESS WITH ITS PUBLIC STOCK PORTFOLIO.**

**NO REPLY OR COMMENTS WERE RECEIVED.**

**WE THEN AWARDED MR. BUFFETT, THE 2025 CHEAPSKATE CEO AWARD FOR NOT PAYING A DIVIDEND FOR 60 YEARS ( see attached ).**

**That award also received no comment.**

This “fat pitch” mentality might have worked in the 20th century, but in today’s dealmaking environment, it looks less like prudence and more like missed opportunity.

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### **### Missed Chances & Grave Mishaps**

**These 2025 setbacks are not isolated events — they follow a pattern of Buffett’s caution curdling into costly mistakes:**

**\* \*\*Kraft Heinz:\*\*** Once hailed as a masterstroke, now a cautionary tale of overpaying for stagnating brands.

**\* \*\*Airlines Fiasco:\*\*** His abrupt entry into and exit from airlines during the pandemic exposed a lack of conviction.

**\* \*\*Tech Blind Spot:\*\*** Buffett ignored Amazon, Google, and others, including BITCOIN, NVIDIA, and thus forfeiting massive compounding returns.

His late embrace of Apple was the exception, not the rule — and even that is now being trimmed.

**Each misstep underscores the same problem: an outdated philosophy that prioritizes questionable guesses of stability over strategic boldness.**



### ### The Abel Era: Inevitable Break from Buffett's "Pussy-Footing"

As Buffett approaches long delayed "retirement" he still wants to remain Chairman, although it has been said that his elderly son, who has spent 30 years on the Board, with nothing to demonstrate his ability to be at the head of such a gigantic enterprise, "Howie" would become the non-executive Chairman (whatever that is supposed to mean), the torch passes to \*\*Greg Abel\*\*, widely expected to take the helm.

Also on the Board was a new addition in 2021, Buffett's elderly daughter Susan, who likewise has no big company experience, and in our opinion that could remotely qualify her to be in such an important post.

Abel, with a background in \*\*energy and operations\*\*, represents an opportunity to unshackle Berkshire from Buffett's dogma.

The challenge for Abel will be to pivot Berkshire toward \*\*active M\&A strategy, sectoral diversification, and timely deployment of capital\*\* — rather than clinging to an overly romanticized notion of "forever" holdings.

The recent losses expose the cost of Buffett's refusal to adapt. His \*\*pussy-footing approach\*\* may have preserved Berkshire's mystique, but it has also denied the company the dynamism demanded of a modern conglomerate.

### Investment Report: Apple Inc. (AAPL)

- **Company:** Apple Inc. (AAPL), the technology giant.
- **Financial Evidence:**
  - **Shares Owned:** As of the latest filing, Berkshire Hathaway holds 280 million shares.
  - **Percentage of Ownership:** This represents approximately 1.89% of Apple's outstanding stock.
  - **CUSIP Number:** 037833100
- **Nature of Investment:** This remains Berkshire's largest holding and is a long-term, cornerstone investment in the technology sector.

### Investment Report: American Express (AXP)



- **Company:** American Express (AXP), a financial services company.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 151.61 million shares.
  - **Percentage of Ownership:** This represents approximately 21.4% of American Express's outstanding shares.
  - **CUSIP Number:** 025816109
- **Nature of Investment:** A long-term holding that exemplifies Berkshire's "forever" philosophy, reflecting a deep belief in the company's business model.

### Investment Report: Bank of America (BAC)

- **Company:** Bank of America (BAC), a core financial institution.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 605.3 million shares.
  - **Percentage of Ownership:** This represents approximately 6.9% of Bank of America's outstanding common stock.
  - **CUSIP Number:** 060505104
- **Nature of Investment:** A significant core investment in the financial sector and a long-term holding.

### Investment Report: Coca-Cola (KO)

- **Company:** The Coca-Cola Company (KO), a global beverage leader.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 400 million shares.
  - **Percentage of Ownership:** This represents approximately 9.2% of Coca-Cola's total outstanding shares.
  - **CUSIP Number:** 191216100
- **Nature of Investment:** A classic, long-standing Berkshire Hathaway holding, reflecting a core belief in durable consumer brands.

### Investment Report: Chevron (CVX)

- **Company:** Chevron Corp. (CVX), a major energy company.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 122.06 million shares.
  - **Percentage of Ownership:** This represents approximately 6.01% of Chevron's outstanding common stock.
  - **CUSIP Number:** 166764100



- **Nature of Investment:** A significant and growing energy sector holding that reflects a belief in the long-term value of the oil and gas industry.

### Investment Report: Chubb Limited (CB)

- **Company:** Chubb Limited (CB), a global insurance company.
- **Financial Evidence:**
  - **Shares Owned:** 27,033,784 shares
  - **Percentage of Ownership:** This stake represents 6.7% of the total class of common stock.
  - **CUSIP Number:** H1467J104
- **Nature of Investment:** A new, strategic investment in the insurance sector, a key area of focus for Berkshire.

### Investment Report: Lennar (LEN)

- **Company:** Lennar (LEN), a homebuilder.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 7.05 million shares.
  - **Percentage of Ownership:** The investment's percentage of the company is not specified in available reports, but it is a new and significant position.
  - **CUSIP Number:** 526207107
- **Nature of Investment:** This is a new position in the homebuilding sector, showing a renewed interest in the U.S. housing market.

### Investment Report: D.R. Horton (DHI)

- **Company:** D.R. Horton (DHI), another homebuilder.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 1.49 million shares.
  - **Percentage of Ownership:** Not explicitly stated as a percentage.
  - **CUSIP Number:** 23331A109
- **Nature of Investment:** Similar to the Lennar investment, this signifies a new position in the homebuilding sector.

### Investment Report: Nucor (NUE)

- **Company:** Nucor (NUE), a steel producer.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 6.61 million shares.
  - **Percentage of Ownership:** Not explicitly stated as a percentage.
  - **CUSIP Number:** 670188102



- **Nature of Investment:** This new position reflects exposure to the industrial and manufacturing sectors.

### Investment Report: UnitedHealth Group (UNH)

- **Company:** UnitedHealth Group (UNH), a health insurance giant.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 5.04 million shares.
  - **Percentage of Ownership:** Not explicitly stated as a percentage of the company, but it is a new and notable position.
  - **CUSIP Number:** 91324P102
- **Nature of Investment:** A new position in a major player in the healthcare industry, indicating a new area of focus.

### Investment Report: Occidental Petroleum (OXY)

- **Company:** Occidental Petroleum (OXY), an energy company.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 264.94 million shares.
  - **Percentage of Ownership:** This represents a significant stake of over 28% of the company.
  - **CUSIP Number:** 674599105
- **Nature of Investment:** After making significant purchases, Berkshire Hathaway has become the largest shareholder, a very strategic and material investment in the energy sector.

### Investment Report: Ally Financial (ALLY)

- **Company:** Ally Financial (ALLY), a financial services company.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 29 million shares.
  - **Percentage of Ownership:** Not explicitly stated as a percentage.
  - **CUSIP Number:** 020055106
- **Nature of Investment:** This is a consistent position that Berkshire has been adding to over time.

### Investment Report: Louisiana Pacific (LPX)

- **Company:** Louisiana Pacific (LPX), a building materials manufacturer.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 5.66 million shares.



- **Percentage of Ownership:** This represents approximately 8.13% of the company's outstanding shares.
- **CUSIP Number:** 546347105
- **Nature of Investment:** A position reflecting an investment in the construction and housing market supply chain.

## Investment Report: Amazon (AMZN)

- **Company:** Amazon (AMZN), a technology and e-commerce company.
- **Financial Evidence:**
  - **Shares Owned:** Berkshire Hathaway holds 10 million shares.
  - **Percentage of Ownership:** This is a relatively smaller stake, representing a small fraction of the total shares.
  - **CUSIP Number:** 023135106
- **Nature of Investment:** A notable position as it is in the technology sector, an area that Buffett has historically been cautious about.

**Chubb Limited (CB)**, a global insurance company.

## Financial Evidence of This Investment

The **Schedule 13G** filing for Chubb provides a clear breakdown of the investment details:

- **Shares Owned:** The filing states that Berkshire Hathaway, along with its subsidiaries, holds a beneficial ownership of **27,033,784** shares of Chubb's common stock.
- **Percentage of Ownership:** This stake represents **6.7% of the total class** of common stock.
- **CUSIP Number:** The security is identified by the CUSIP number **H1467J104**.

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## Investment Report: HP Inc. (HPQ)

Company: HP Inc. (HPQ), a multinational information technology company.

Financial Evidence:

- **Shares Owned:** Berkshire Hathaway and its related entities, including Warren Buffett, collectively own **22,852,715 shares** of common stock as of December 31, 2023.
- **Percentage of Ownership:** This represents a **2.3%** stake in the class of securities.





- **CUSIP Number:** 40434L105
- **Nature of Investment:** This is a notable holding that aligns with Berkshire's historical interest in established, profitable technology hardware companies rather than higher-growth software or internet firms. The filing also shows that the shares are distributed among various Berkshire subsidiaries, with **National Indemnity Company** holding **19,420,250** shares, and **GEICO Corporation** holding **13,201,420** shares.

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## Investment Report: The Bank of New York Mellon Corporation (BK)

Company: The Bank of New York Mellon Corporation (BK), a global investment company.

Financial Evidence:

- **Shares Owned:** Berkshire Hathaway and its related entities collectively own **25,069,867 shares** of common stock as of December 31, 2022.
- **Percentage of Ownership:** This represents a **3.1%** stake in the class of securities.
- **CUSIP Number:** 064058100
- **Nature of Investment:** This holding fits Berkshire's long-standing preference for financial institutions, particularly those with a strong history and stable business models. The filing also shows that the shares are distributed among various Berkshire subsidiaries, including **National Indemnity Company (16,393,513 shares)** and **Government Employees Insurance Company (6,160,384 shares)**.

## Investment Report: U.S. Bancorp (USB)

Company: U.S. Bancorp (USB), a bank holding company. **Financial Evidence:**

- **Shares Owned:** According to the Schedule 13G filing, Warren E. Buffett and Berkshire Hathaway Inc. collectively own an aggregate of **53,045,548 shares** of common stock.
- **Percentage of Ownership:** This represents a **3.6%** stake in the class of securities.
- **CUSIP Number:** 902973304
- **Nature of Investment:** This is a position in the financial services sector, an area that has historically been a significant part of Berkshire Hathaway's investment portfolio. The filing breaks down the beneficial ownership across various entities, including National Indemnity Company, Columbia Insurance Company, and GEICO, among others.



## Investment Report: Axalta Coating Systems Ltd. (AXTA)

**Company:** Axalta Coating Systems Ltd. (AXTA), a manufacturer and distributor of coatings for various industrial and transportation applications. **Financial Evidence:**

- **Shares Owned:** As of the latest publicly available information, Berkshire Hathaway holds **28,210,000 shares** of Axalta's common stock.
- **CUSIP Number:** 05464T104
- **Nature of Investment:** This is a position in the specialty chemicals sector. The investment in Axalta is not a new position; it has been part of Berkshire's portfolio for several years, with the company's stake remaining consistent over that time.

## Investment Report: StoneCo Ltd. (STNE)

**Company:** StoneCo Ltd. (STNE), a Brazilian financial technology company that provides payment solutions and other business services.

### Financial Evidence:

- **Shares Owned:** As of the latest publicly available information, Berkshire Hathaway holds **0 shares**. The company sold its entire position in the fourth quarter of 2023.
- **CUSIP Number:** 861642103
- **Nature of Investment:** This was a relatively rare investment for Berkshire in a technology-focused, emerging market company. The initial stake was purchased at the company's IPO in October 2018. The investment was managed by one of Warren Buffett's portfolio managers, Ted Weschler or Todd Combs, not Buffett himself. The position, once valued in the hundreds of millions, was liquidated after several years of volatile performance.

## Investment Report: Snowflake Inc. (SNOW)

**Company:** Snowflake Inc. (SNOW), a cloud-based data platform company that provides data storage and analytics services.

### Financial Evidence:

- **Shares Owned:** As of the latest publicly available information, Berkshire Hathaway holds **6,125,376 shares** of Snowflake's common stock.
- **CUSIP Number:** 833445109
- **Nature of Investment:** This is a notable investment for Berkshire, as it represents a technology company and a rare purchase at an IPO (Initial Public Offering). The shares were acquired in the third quarter of 2020 and were part of the IPO allocation



process. The investment is managed by one of the portfolio managers, Ted Weschler or Todd Combs.

## Investment Report: The E.W. Scripps Company (SSP)

**Company:** The E.W. Scripps Company (SSP) is a diversified media company focused on television stations, broadcast networks, and local and national news.

### Financial Evidence:

- **Investment Structure:** Berkshire Hathaway's investment in Scripps is not in common stock, but rather in the form of a **\$600 million preferred equity investment**. This was part of a deal in late 2020 to help finance Scripps' acquisition of ION Media.
- **Key Terms:** The investment includes a dividend of 8% per year if paid in cash, or 9% if deferred.
- **Warrant to Purchase Shares:** As part of the deal, Berkshire Hathaway also received a warrant to purchase up to **23.1 million Class A shares** of Scripps at an exercise price of \$13 per share. This gives Berkshire the option to acquire common stock at a later date.
- **Current Status:** Public records show that Berkshire Hathaway's ownership is in the form of this preferred stock and warrant, not in a large common stock holding that would be listed in a standard 13F filing.
- **CUSIP Number:** The specific CUSIP for the preferred shares is not listed in standard 13F filings, as they are not common stock. The common stock CUSIP is 811054101.

## Investment Report: VeriSign, Inc. (VRSN)

**Company:** VeriSign, Inc. (VRSN) is a global provider of domain name registry services and internet infrastructure. The company operates the registry for .com and .net top-level domains.

### Financial Evidence:

- **Shares Owned:** As of a recent SEC filing (Q2 2025), Berkshire Hathaway's affiliates owned **13.29 million shares** of VeriSign. However, it was announced on July 28, 2025, that Berkshire would sell **4.3 million shares** of its stake, reducing its ownership to just under the 10% threshold. The remaining stake is approximately **8.99 million shares**.
- **CUSIP Number:** 92343E102
- **Nature of Investment:** Berkshire Hathaway's investment in VeriSign is considered a long-term holding, with the initial purchase dating back to 2012. The recent sale was intended to bring Berkshire's ownership below the 10% mark, which would have



triggered additional regulatory obligations. The remaining shares are subject to a one-year lock-up period.

### Investment Report: American Airlines Group Inc. (AAL)

- **Company:** American Airlines Group Inc. is a major airline holding company.
- **Financial Evidence:** According to a Berkshire Hathaway SEC filing from the first quarter of 2020, the company had fully exited its position in American Airlines. The original investment in American Airlines, along with other major U.S. airlines, was made in 2016. At its peak, Berkshire's stake in American Airlines was valued at approximately **\$2.3 billion**. However, the entire position was sold during the significant downturn in air travel caused by the COVID-19 pandemic.
- **CUSIP Number:** 02377C107
- **Nature of Investment:** This investment is no longer a part of Berkshire Hathaway's portfolio. The decision to sell was a major one, as it marked the complete liquidation of a multi-billion-dollar position in the U.S. airline industry that had been built over several years.

### Investment Report: Southwest Airlines Co. (LUV)

- **Company:** Southwest Airlines Co. is a major U.S. airline.
- **Financial Evidence:** In the first quarter of 2020, Berkshire Hathaway sold its entire stake in Southwest Airlines. The original investment was made in 2016. At its peak, Berkshire's stake was valued at approximately **\$4.1 billion**.
- **CUSIP Number:** 931142103
- **Nature of Investment:** This investment is no longer a part of Berkshire Hathaway's portfolio. The decision to sell was part of a larger divestiture of all of its positions in major U.S. airline companies.

### Investment Report: U.S. Bancorp (USB)

- **Company:** U.S. Bancorp is an American bank holding company.
- **Financial Evidence:** As of a recent SEC filing (Q2 2025), Berkshire Hathaway holds a significant, long-term position of approximately **62.5 million shares** in U.S. Bancorp. The company's position has been a part of Berkshire Hathaway's portfolio since 2006.
- **CUSIP Number:** 902973304
- **Nature of Investment:** This is a long-standing core holding in Berkshire's portfolio. The number of shares has remained relatively stable in recent years, indicating a continued commitment to the investment.



## Investment Report: Delta Air Lines, Inc. (DAL)

- **Company:** Delta Air Lines, Inc. is a major U.S. airline.
- **Financial Evidence:** According to a Berkshire Hathaway SEC filing from the first quarter of 2020, the company had fully exited its position in Delta Air Lines. The original investment was initiated in 2016. At its peak, the stake was valued at approximately **\$3.9 billion**.
- **CUSIP Number:** 247361702
- **Nature of Investment:** This investment is no longer a part of Berkshire Hathaway's portfolio. It was sold off completely as part of a strategic shift in Berkshire's holdings.

## Investment Report: United Airlines Holdings, Inc. (UAL)

- **Company:** United Airlines Holdings, Inc. is a major U.S. airline holding company.
- **Financial Evidence:** According to a Berkshire Hathaway SEC filing from the first quarter of 2020, the company had fully exited its position in United Airlines. The original investment was initiated in 2016. At its peak, the stake was valued at approximately **\$2.1 billion**.
- **CUSIP Number:** 910047109
- **Nature of Investment:** This investment is no longer a part of Berkshire Hathaway's portfolio. The entire position was liquidated as part of the broader sale of all airline stocks.

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## Recent Public-Record Holdings & Portfolio Moves

### 1. Q1 2025 13F Filings (as of March 31, 2025)

- Portfolio valued at **~\$259B**, concentrated in 36–38 U.S. holdings ([WhaleWisdom](#), [optionar.com](#), [Forbes](#)).
- **Top holdings** (by value):
  - Apple, American Express, Coca-Cola, Bank of America, Chevron ([Forbes](#), [optionar.com](#), [Wikipedia](#)).
- Berkshire **reduced stakes** (net seller): trimmed Apple (~20 M shares), Bank of America, Citigroup, Capital One, T-Mobile, Charter Communications, Davita, NU Holdings ([Investopedia](#), [Investors](#), [Forbes](#), [chartinsight.com](#), [WhaleWisdom](#)).



- **New or increased holdings** include:

- UnitedHealth (~5 M shares, ~\$1.6B) ([Investopedia](#), [Investors](#), [Business Insider](#), [Wikipedia](#)).
- Nucor (~6.6 M shares, ~\$857M) ([Investors](#), [Wikipedia](#)).
- D. R. Horton, Lennar, Constellation Brands, Pool Corp, Domino's Pizza, Verisign, SiriusXM, Heico ([Investopedia](#), [Investors](#), [Forbes](#), [alert-invest.com](#), [Wikipedia](#)).

## 2. Q2 2025 Snapshot (as of June 30, 2025)

- **Expanded holdings** reported, with more granular details:

- Examples include Ally Financial (9.4% stake), Amazon, Aon, Atlanta Braves Holdings, Kroger, Lennar, Louisiana-Pacific, Pool Corp, SiriusXM, UnitedHealth (0.56%), Verisign, and more ([Wikipedia](#)).
- **Kraft Heinz split/backlash:** The merger originally backed by Buffett is now unraveling due to underperformance—declining stock value and strategic misfires—so it's being split into two by end of 2026, and Buffett reportedly criticized the breakup as “costly and unnecessary” ([MarketWatch](#), [Reuters](#)).

## 3. Other Notable Moves

- **Acquisition of Bell Laboratories**, a private, family-owned rodent-control firm, finalized July 31, 2025. No disclosed price—reflects Berkshire's penchant for acquiring old-line, niche businesses outside of public markets ([Barron's](#)).
- **Further investment in Japanese trading houses:** Increased stakes in Mitsubishi (~10.2%) and Mitsui (~9.8%), alongside continued exposure to Marubeni, Itochu, Sumitomo. This reflects a strategic but atypical geographically diversified equity push ([Cinco Días](#), [MarketWatch](#), [Wikipedia](#)).



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## “Conservative, Labyrinthine, Strategic Misdirection”

### 1. Concentration & Entrenchment

- Over 70–89% of liquid portfolio concentrated in a handful of large positions (e.g., AAPL, AXP, KO, BAC, CVX) ([Forbes](#), [WhaleWisdom](#), [Wikipedia](#)).
- This concentration may contradict principles of diversification and adaptability.

### 2. Secretive Moves & Hidden Strategy

- Berkshire has obtained **confidential treatment** for certain large positions—e.g., UnitedHealth—raising disclosure concerns ([Forbes](#), [Investopedia](#), [Business Insider](#)).
- Moves such as building stakes in Nucor, DR Horton, Lennar, etc., suggest a late, opportunistic tilt into housing and industrials, which could signal reactive rather than strategic planning ([Investors](#), [Investopedia](#)).

### 3. Underperformance & Strategic Missteps

- **Kraft Heinz**, a merger Buffett backed, has significantly underperformed—stock fell ~54%, prompting a breakup—but remains a major stake and potential value trap ([MarketWatch](#), [Financial Times](#)).
- Exit from airline stocks (AAL, LUV, DAL, UAL) during COVID—while pragmatic—reflects a reactive de-risking that resulted in missing a rebound opportunity .

### 4. Cash Hoarding vs. Growth

- Berkshire’s **huge cash pile**—\$344B in Treasuries plus ~\$44B cash—surpasses even big tech giants, raising questions about inertia and failure to deploy capital aggressively for strategic growth ([Wikipedia](#), [Investopedia](#)).

### 5. Complex Structure & Subsidiary Allocation



- Investments are spread across many subsidiaries—National Indemnity, GEICO, etc.—with complex cross-holding structures that may mask firm-level accountability ([Wikipedia](#)).

## 6. Non-Core Acquisitions Out of Strategy or Expertise

- The Bell Laboratories rodent-control purchase seems tangential to core strategic capabilities, especially given lack of disclosed valuation—raising concerns of governance and stewardship ([Barron's](#)).
- 

- **Strategic stagnation:** overreliance on legacy positions (Coca-Cola, American Express, etc.) while underinvesting in disruptive sectors, i.e. tech/EV, despite market shifts.
- **Transparency issues:** confidential treatment in 13F filings, opaque subsidiary allocations, and inconsistent rationale vis-à-vis firm M&A norms.
- **M&A failures:** focus on Kraft Heinz as a cautionary tale of conglomerate discount and value destruction—merger wave gone wrong.
- **Misaligned capital deployment:** massive idle cash alongside late-stage sector entries (homebuilders, healthcare, steel) without clear long-term strategy.
- **Emphasize complexity as shield:** use of subsidiaries and geographic diversification (Japanese trading firms) may be tactics to diffuse responsibility.





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## Summary Table: Key Holdings & Moves (2025)

| Category            | Examples                                                                                                                                                                                                                              |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Core, long-standing | AAPL, AXP, KO, BAC, CVX (very concentrated value) ( <a href="#">Forbes</a> , <a href="#">Wikipedia</a> )                                                                                                                              |
| Recent boosts       | UnitedHealth, Nucor, DR Horton, Lennar, Pool, Domino's, SiriusXM, Verisign ( <a href="#">Investopedia</a> , <a href="#">Investors</a> , <a href="#">Business Insider</a> , <a href="#">Wikipedia</a> )                                |
| Exits               | Airline stocks (AAL, LUV, DAL, UAL), Citigroup, T-Mobile, Capital One, Charter ( <a href="#">Investopedia</a> , <a href="#">Investors</a> , <a href="#">chartinsight.com</a> , <a href="#">Forbes</a> , <a href="#">WhaleWisdom</a> ) |
| M&A Backfire        | Kraft Heinz breakup—Buffett-backed merger, now unwinding ( <a href="#">MarketWatch</a> , <a href="#">Reuters</a> )                                                                                                                    |
| Private Acquisition | Bell Laboratories rodent-control co.—non-core purchase (Barron's)                                                                                                                                                                     |
| Geographic Strategy | Japanese conglomerates: Mitsubishi, Mitsui, etc.—long-term but unconventional (Cinco Días, MarketWatch, Wikipedia)                                                                                                                    |
| Cash accumulation   | \$344B in Treasuries + ~\$44B cash—massive liquidity (Wikipedia, Investopedia)                                                                                                                                                        |



This evidence paints a picture where Berkshire's investment behavior may reflect conservative inertia, opaque structures, reactive capital deployment, and engagements (like Kraft Heinz or airline divestitures) that undercut long-term strategic coherence. These can be marshaled into allegations of poor stewardship or failure to maximize shareholder value.

| <b>Company Name</b>            | <b>Total Value (in billions)</b> | <b>Total Shares</b> | <b>Portfolio Percentage</b> |
|--------------------------------|----------------------------------|---------------------|-----------------------------|
| <b>APPLE INC COM</b>           | \$69.02                          | 296,224,000         | 31.47%                      |
| <b>AMERICAN EXPRESS CO COM</b> | \$41.12                          | 151,610,700         | 18.75%                      |
| <b>BANK AMER CORP COM</b>      | \$31.65                          | 797,683,307         | 14.43%                      |
| <b>COCA COLA CO COM</b>        | \$28.74                          | 400,000,000         | 13.11%                      |
| <b>CHEVRON CORP NEW COM</b>    | \$17.47                          | 118,610,534         | 166764100                   |
| <b>MOODYS CORP COM</b>         | \$11.71                          | 24,669,778          | 5.34%                       |
| <b>KRAFT HEINZ CO COM</b>      | \$11.43                          | 325,634,818         | 5.21%                       |
| <b>CITIGROUP INC COM NEW</b>   | \$3.46                           | 55,244,797          | 1.58%                       |
| <b>KROGER CO COM</b>           | \$2.86                           | 50,000,000          | 1.31%                       |
| <b>AMAZON COM INC COM</b>      | \$1.86                           | 10,000,000          | 0.85%                       |



## **Berkshire Hathaway Transaction Summary from SEC Filings**

### **Transactions from Q4 2019 (Filed 02/14/2020)**

This group of filings shows Berkshire's holdings at the end of 2019, just before the significant market volatility of 2020. The filings are primarily SC 13G/A, which are amendments to beneficial ownership reports and indicate a level of ownership between 5% and 20%.

**Bank of America Corp. (005-12646):** Berkshire's position remained a core, long-term holding. There were no major changes reported in this filing.

**Kraft Heinz Co. (005-89396):** The filing shows a long-standing position with no significant changes.

**U.S. Bancorp (005-37283):** The position in this bank remained consistent as a major financial holding.

**Apple Inc. (005-33632):** The filing indicates a consistent, massive position in Apple. This was a period of continued conviction in the stock.

**Bank of New York Mellon Corp. (005-83627):** The filing shows a stable position in this financial institution.

**RH (005-87304):** This filing, a SC 13G, is an initial report indicating a new stake. This shows a new position was established in this company, formerly known as Restoration Hardware.

**Goldman Sachs Group Inc. (005-56295):** This filing shows a stable position in Goldman Sachs.

**General Motors Co. (005-86002):** The position remained consistent.

**Wells Fargo & Company (005-19921):** This filing reflects a period when Berkshire was reducing its stake in Wells Fargo, a trend that had been ongoing.

**American Airlines Group Inc. (005-33763):** The filing shows a significant position still held in the airline.

**Delta Air Lines, Inc. (005-12283):** A large stake was held in Delta.

**Southwest Airlines Co. (005-33255):** A large stake was held in Southwest.



**DaVita Inc. (005-47431):** The filings from 11/12/2019 and 08/23/2019 confirm a stable, long-term position.

## Transactions from Q4 2020 (Filed 02/16/2021)

This group of filings provides a snapshot after the Q1 2020 market crash and subsequent actions.

- **Kraft Heinz Co. (005-89396):** The position remains consistent, showing conviction despite some public skepticism about the company.
- **U.S. Bancorp (005-37283):** The position in this bank remained stable.
- **Liberty Latin America Ltd. (005-90230):** This [SC 13G](#) filing reflects a new, significant position in this company.
- **AXALTA COATING SYSTEMS LTD. (005-88658):** This filing shows a continued position in this company, which was established several years prior.
- **Apple Inc. (005-33632):** The filing shows the position was slightly reduced during the year, but remained overwhelmingly large and a core holding.
- **Berkshire Hathaway Inc. (028-04545):** This is a filing for Berkshire itself, a [13F-HR/A](#). It's an amended filing that would show changes in its overall portfolio, reflecting the major divestitures.
- **Liberty Global PLC (005-87508):** A filing from 2021 shows the position was completely sold off. This marks a full exit from an older position.
- **STORE Capital Corp (005-88590):** This filing confirms a stable position in the real estate investment trust.
- **Bank of New York Mellon Corp. (005-83627):** The position remained consistent.
- **VeriSign Inc. (005-54923):** The filing confirms a long-held position with no significant changes.
- **DaVita Inc. (005-47431):** The position was stable.
- **Liberty Media Corporation (005-41574):** This filing from 2021 confirms a consistent, long-term position.
- **RH (005-87304):** The position remained consistent following its initial report.
- **Bank of America Corp. (005-12646):** The position in this bank remained consistent as a core holding.

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## **Berkshire Hathaway — Seven-Year Loss Report (2019 → mid-2025)**

**Objective:** describe the material losses and loss-drivers (investment marks, impairments, underwriting losses, FX, and transactional frictions from family-owned purchases) with figures and primary source citations.

### **Executive summary (top figures)**

\$3.76 billion — after-tax impairment Berkshire booked on its Kraft Heinz stake (Q2 2025).  
Reuters  
AP News

Net earnings swings (example quarters): Q1 2024 +\$12.702B; Q1 2025 +\$4.603B (down sharply YoY); Q2 2024 +\$30.348B vs Q2 2025 +\$12.37B. These swings are driven mainly by unrealized investment gains/losses and periodic impairments.

Berkshire Hathaway

Acquirers Multiple

Nasdaq

**Insurance / reinsurance underwriting losses & catastrophe hits:** combined underwriting deteriorations and catastrophe exposures produced hundreds of millions of pre-tax underwriting losses in H1 2025 (e.g., pre-tax reinsurance underwriting loss ≈ \$307M in Q1 2025; underwriting drops and catastrophe impacts in Q2 2025 including \$877M in catastrophe/currency impacts called out by management).

ReinsuranceNe.ws

Cognac.com

**Portfolio scale:** the 13F snapshots show the equity portfolio value moved from ≈\$267.18B (Q4 2024) to ≈\$257.52B (Q2 2025) as Berkshire trimmed some positions and realized gains/losses.

Cognac.com

### **1. Timeline of Largest, Documented Loss Events (selected, material items)**

2019 → 2024 — Kraft Heinz underperformance becomes chronic after the 2015 merger; by 2019–2024 the investment repeatedly underwhelmed and required accounting concessions. (context for later impairment).



AP News

**Q1 2024:** Net earnings attributable to Berkshire shareholders = \$12,702 million (operating earnings \$11,222M). (shows prior-year base).  
Berkshire Hathaway

**Q2 2024:** Net earnings jumped (large investment gains realized/unrealized) — reported ~\$30.35B net (driven by large investment gains in that quarter). (illustrates extreme volatility).  
Nasdaq

**Q1 2025:** Net earnings dropped to \$4.603B — Y/Y decline driven by roughly \$5.0B of investment losses and insurance catastrophe impacts (wildfires) and FX effects. Operating earnings remained stronger (but lower vs prior-year).  
Acquirers Multiple  
Reuters

**Q2 2025:** Net earnings \$12.37B vs prior year \$30.35B — 59% YoY drop; Berkshire recorded a \$3.76B after-tax impairment on Kraft Heinz and noted insurance underwriting softness and currency losses (~\$877M FX hit called out in commentary).  
Reuters  
Cognac.com

(These quarter examples are representative of the recurring pattern: operating earnings generally positive and stable, but large GAAP net-earnings swings caused by investment marks and impairments.)

## **2. Primary Loss-Drivers (quantified where available)**

### **A. Investment-portfolio mark-to-market volatility & realized/impairment losses**

Unrealized/realized investment gains and losses produced massively different GAAP net earnings across quarters/years (e.g., net unrealized gains of tens of billions in some periods; net unrealized losses in others). Berkshire's annual reports show net unrealized gains of ~\$49.3B in 2024 and \$69.1B in 2023 (pre-tax investment mark effects disclosed).  
Berkshire Hathaway



**Kraft Heinz impairment (Q2 2025):** Berkshire recognized \$3.76B after-tax impairment on its stake; Kraft itself reported larger aggregate impairments in restructuring that quarter. This single line item materially reduced GAAP net earnings for the period.

Reuters

AP News

## **B. Insurance & reinsurance underwriting pressure (catastrophes, prior-year reserves)**

### **Reinsurance & primary insurance underwriting rotated from profit to pre-tax underwriting losses in parts of 2024–H1 2025:**

e.g., pre-tax reinsurance underwriting loss  $\approx$  \$307M (Q1 2025) vs earnings a year earlier; underwriting profit for primary/commercial lines fell significantly with combined ratios deteriorating. Also, catastrophe claims (wildfires, etc.) dented underwriting earnings (management flagged hundreds of millions).

ReinsuranceNe.ws

Atlas Mag

## **C. Foreign-exchange translation & FX hits**

Management disclosed currency translation losses meaningfully affecting net results in H1 2025 (e.g., \$877M referenced in Q2 2025 commentary related to FX/cat impacts). FX swings have amplified reported volatility.

Cognac.com

Wall Street Journal

## **D. Realized gains / tax consequences from large equity sales**

Berkshire's net selling of equities across multiple quarters (2023–2024) generated very large realized gains (press coverage estimated realized gains and a potential large tax bill from equity sales in 2024). Those realizations reduced certain holdings but also produced taxable gains and a materially different portfolio basis.

Barron's

First links



### 3. Case Studies (figures + short analysis)

#### Case study A — Kraft Heinz (KHC)

Berkshire stake: ~27% (long-standing).

**Material charge:** \$3.76B after-tax impairment (Berkshire, Q2 2025). Kraft reported larger total impairments around the same time and later announced a breakup / restructuring path (announced Sept 2025). The impairment is a clear, permanent write-down on a marquee investment that was once a central thesis.

Reuters

AP News

**Strategic point:** this is an explicit, large-dollar, permanent recognition that Buffett's high-conviction hold failed to sustain intrinsic value — a clear numeric counterexample to "forever guarantees safety."

#### Case study B — General Motors (GM)

**Timeline & numbers:** initial purchases beginning 2012; position peaked 50M shares (\$1.7B at start of 2023). Berkshire fully exited the GM position by Q3 2023 (press estimates ~22M shares sold in final stages). Net P&L across the multi-year trade included both purchases at \$23–\$32 ranges and later sales near \$30–\$40; outcome is a complex mix of adds and trims (not pure "buy-and-hold forever").

Cognac.com

#### Case study C — Family-origin deals: Pilot Travel / Haslam; Berkshire Hathaway Energy (Scott family)

Pilot Travel Centers (Haslam family): Berkshire moved from minority to 80% ownership (2017 → later) and then acquired the remaining 20% in early 2024. The buyout triggered Delaware litigation over valuation; the parties settled before trial (Jan 2024). The dispute revealed transactional frictions and public litigation costs tied to acquiring family-run businesses.

FreightWaves

Reuters





**Note:** after full ownership, Pilot later shut international oil trading operations amid profit weakness (reported Jan 2025), demonstrating integration and operating surprises post-acquisition.

Reuters

**Berkshire Hathaway Energy (Scott family):** Berkshire acquired the remaining ~8% stake from the Scott family in Oct 2024 (cash ~\$2.37B + share swaps / notes disclosed). Commentary and subsequent analysis pointed to a material decline in implied BHE per-share valuation between prior private transactions and the agreed price — evidence that family-linked transfers aren't always clean value wins.

Reuters

The Rational Walk

**Bottom line from family-deal cases:** legal friction (Pilot valuation lawsuits), messy buyout mechanics and later operational surprises (Pilot trading closure), and value compression in minority-to-majority payments (BHE example) show how buying family businesses can produce unexpected losses, costs, and reputational/legal exposure.

#### 4. Aggregate View (2019→Mid-2025): Numbers that Matter

**Kraft Heinz impairment (Berkshire):** \$3.76B (after-tax, Q2 2025).

Reuters

**Net GAAP volatility samples:** Q2 2024 ~\$30.35B net vs Q2 2025 \$12.37B net (59% drop YoY); Q1 2024 \$12.702B → Q1 2025 \$4.603B (64% drop YoY).

Berkshire Hathaway

Acquirers Multiple

Nasdaq

**Insurance underwriting hits (H1 2025 total examples):** pre-tax reinsurance loss ~\$307M (Q1 2025) and multiple underwriting lines with declines (primary commercial underwriting falling ~77% YoY in Q2 2025 for one line). Cat losses and reserve increases added to year-to-date weakness.

ReinsuranceNe.ws

Carrier Management

**Portfolio value (13F snapshots):** \$267.18B (Q4 2024) → \$257.52B (Q2 2025) — showing a down-shift in stated holdings value as selling and marks occurred.

Cognac.com



## 5. How These Numeric Outcomes Expose Structural Flaws Of Buffett's Philosophy (brief, data-first conclusions)

**Conviction + Concentration** = Large single-line risk. Apple / financials / Coca-Cola weightings concentrate exposure — a single impairment (or sustained underperformance) in a big name causes outsized portfolio pain. (Examples: Kraft write-down, Apple marks in Q1 2025).

Berkshire Hathaway  
Acquirers Multiple

**"Forever" can become "forever-held losses."** The \$3.76B explicit impairment and multi-year underperformance of Kraft Heinz numerically show that long holding = bearing permanent losses when the business deteriorates.

Reuters

Reactive exits / litigation on family deals (Pilot) and value compression on family stake buys (BHE) document transaction costs, legal expense, and operational surprises that a pure "buy-and-hold" mantra understates. The Pilot litigation settlement and subsequent operational retrenchment at Pilot produce hard dollars and process risk.

FreightWaves  
Reuters

Operating earnings  $\neq$  GAAP headline stability. Operating earnings have generally remained positive (~\$9–\$12B quarterly ranges), yet GAAP net earnings show multi-tens-of-billions swings due to investment marks — this volatility undermines investor confidence and produces headline damage even when underlying business operations are intact. (See Q1/Q2 2024 vs 2025 comparisons).

Berkshire Hathaway  
Nasdaq

## 6. Appendix — Primary Sources (select, load-bearing)

Berkshire Hathaway — Q1 2024 earnings release (tables showing Net earnings \$12,702M; operating earnings \$11,222M).

Berkshire Hathaway

Berkshire Hathaway — Q1 2025 and Q2 2025 filings / press releases (net earnings \$4.603B in Q1 2025; Q2 2025 press release and 10-Q showing investment losses and details).



Acquirers Multiple  
Berkshire Hathaway

Reuters / AP coverage of Kraft Heinz write-down and Q2 2025 profit effect (Berkshire took \$3.76B after-tax charge).  
Reuters AP News

Reinsurance/insurance industry reporting on Berkshire underwriting losses and catastrophe impacts (references to pre-tax reinsurance losses  $\approx$  \$307M in Q1 2025; underwriting margin deterioration).  
ReinsuranceNe.ws Carrier Management

Pilot Travel / Haslam settlement & Berkshire acquisition reporting (Delaware litigation settled Jan 2024; Haslam buyout mechanics and later operational changes at Pilot).  
FreightWaves Reuters

The numbers (impairments, underwriting losses, large quarter-to-quarter GAAP swings) show that Berkshire's mix of conviction concentration + cautious capital hoarding + selective family-deal buying has produced measurable, material losses and legal/transactional costs over the past seven years.  
Reuters ReinsuranceNe.ws

Those losses are numeric evidence that a purely person-centric "forever" philosophy can calcify into exposure and inertia — unless replaced with institutionalized M&A/process discipline under a post-Buffett regime.  
Berkshire Hathaway  
The Rational Walk

## Conclusion: The Price of Inaction

Berkshire Hathaway's 2025 losses are not merely the byproduct of accounting quirks — they are the bill coming due for Buffett's outdated philosophy. What once looked like sage patience now resembles dangerous inertia. Unless Abel decisively rewrites the playbook, Berkshire risks being remembered not as a model of enduring value, but as a case study in how **\*\*caution calcified into decline\*\***.

