

Cunningham, Lawrence A. (ed) – The Buffett Essays Symposium

The Cunningham Group & Harriman House, 2016, [Equity Investing] Grade ★★★★★

If you've ever watched Warren Buffett and Charlie Munger answering questions at a Berkshire Hathaway AGM, one thing that is striking is the combination of breadth and depth. That is, the breadth in the number of topics covered and the depth of the insight. The George Washington University professor Larry Cunningham early on realized the quality of Warren Buffett's thinking and two decades ago took Buffett's letters to shareholders, rearranged the writing after topic and created an instant investment classic. *The Essays of Warren Buffett* is solidly parked on our list of best investment books ever.

In connection to the launch a two-day convention in New York was hosted by Cunningham. Apart from Buffett and Munger a number of well-known investors like Lou Simpson, Bill Ackman, Robert Hagstrom, Bruce Berkowitz and Paul Hilal had the rare luxury of attending the event. A total of 150 persons attended the two days. The arrangement was that an expert panel per subject would start a discussion and pretty soon Buffett, Munger and others would join the discussion. This book is the edited transcript of this symposium.

The topics of the discussions - and the chapters of the book - were corporate governance, finance and investing, mergers and acquisitions and accounting and taxes. Much of the text covers the panelists discussing their take on a specific line of thought that has been presented by one of the others - and that doesn't necessarily have to be related to the writings of Buffett. It's a learned and intelligent discussion, which in the academic tradition wiggles forward through trial and error and testing a thesis of a more or less important topic. Often Buffett and Munger are asking questions and learning rather than taking the lead role.

It's nevertheless when Buffett and Munger now and then join in that the discussion goes from interesting to sparkling. It's fascinating to view the difference in language. The panelists use an academic prose littered with specialist expressions

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and with a deep knowledge of detail. Every other line from Buffett and Munger instead reads like a quotation from Yogi Berra. The words glow. The drastic examples, mundane wording and smart metaphors cant hide the fact that Buffett and Munger often capture the essence of what the other panelists painstakingly are trying to arrive at.

While the expert panelists change depending on subject, Buffett and Munger continue to discuss topic after topic on the same high level. Now and then it shines through that the two are very rational in how they spend their time and therefore haven't fully studied the finer details of matters they don't think benefit them. For example when Munger quips that he supports the weak form of market efficiency, he probably rather wants to deliver a good punch line than have an opinion on the usefulness of technical analysis specifically. Buffett and Munger have rejected modern portfolio theory on a common sense basis, what is then the use of wasting time studying the details of the theory?

The Buffett Essays Symposium is a short book and it really doesn't offer new thinking from Buffett or Munger. It's a nice set of Buffett trivia with plenty of unique pictures but the reader learns little new. I still think it is remarkable how early Buffett and Munger had come to formulate their worldview and how little it changes over the years. Compared to the panelists they more often take a broader societal view, they look to fairness and justice and distils key principles. Then naturally there is little need for change of viewpoint. What's right is right. I also think Charlie Munger comes more to his right in these discussions compared to playing the role of the drastic side-kick at Berkshire AGMs. His background as a lawyer shines through when he discusses corporate governance structures etc.

The Essays of Warren Buffett is a need to have. Without having read this book you cannot claim to be an intelligent investor. For anyone but the die-hard Buffetteer this symposium book is a nice to have - wrong, a very nice to have - but still.