

### A True Investing Legend:

On November 28<sup>th</sup>, 2023, we lost an investing legend. Charlie Munger, a month before he would have turned 100 years old, passed away. He provided investors with hundreds (maybe thousands) of wonderful quotes and tidbits. Some found his comments a little grumpy, but we prefer to consider these statements as “grandfatherly wit and wisdom.” Munger’s observations were a welcome contrast to so many tight-lipped, politically correct, and afraid-to-offend corporate executives.

Buffett and Munger first met at a dinner party in their hometown of Omaha in 1959. The two had both worked at Buffett’s grandfather’s supermarket, but apparently never ran into each other. By 1978, Buffett had convinced Munger to join him at Berkshire Hathaway as Vice Chairman, where he played the “ying” to Buffett’s “yang”.

At Berkshire’s annual investment get together in Omaha, Munger would answer questions in a clear and concise manner, that was dry, deeply truthful, and often humorous. Buffett once said that “Charlie has the best 30-second mind in the world. He goes from A to Z in one move. He sees the essence of everything before you even finish the sentence.”

One might not always agree with Munger’s opinions, but it was always worthwhile to listen to his point of view. Following his passing, Buffett had this to say about his former partner. “Charlie had a wide-ranging brilliance, a prodigious memory, and some firm opinions. I’m not exactly wishy-washy myself, and we sometimes didn’t agree. However, in 56 years, we never had an argument. When we differed, Charlie usually ended the conversation by saying: ‘Warren, think it over and you’ll agree with me because you’re smart and I’m right.’”

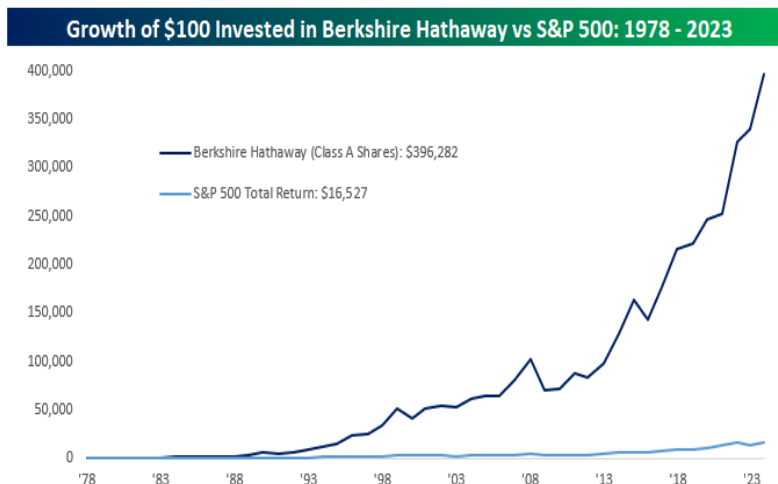
Instead of focusing on conventional investing techniques, Munger took a multi-disciplinary approach, studying history, philosophy, engineering, and science. Munger believed that successful investing requires “this crazy combination of gumption and patience, and then being ready to pounce when the opportunity presents itself, because in this world opportunities just don’t last very long.”

All investors should read (or re-read) his speeches called *Poor Charlie’s Almanac*, as it is a great collection of investment knowledge. Munger felt “the best thing a human being can do is to help another human being know more.” Who doesn’t laugh hearing Munger’s quote about education? “Without constant learning, you’re like a one-legged man in an ass-kicking contest.” Munger was one-of-a-kind, the “King of Zing”, and #1 at being #2.

### Berkshire Hathaway Performance:

Early in his career, Buffet tended to follow Benjamin Graham’s ‘cigar butt’, deep-value investment approach. He tried to buy stocks and companies trading at significant discounts to their intrinsic value, i.e., buying stocks for 10 cents on the dollar. Munger adhered to a different investment approach, and he believed “a great business at a fair price is superior to a fair business at a great price.” Buffett stated that his purchases of American Express, Apple and Coca-Cola were all influenced by Munger’s different philosophy.

As this chart shows, \$100 invested in 1978 (the year Charlie joined Berkshire) grew to \$16,527 invested in the S&P 500, but nearly \$400,000 if it were in Berkshire. Together, Warren Buffett and Charlie Munger were able to build a company with a market capitalization of over \$750 billion.



Some viewed Munger as a curmudgeon, but we loved his candor and will terribly miss his wisdom. He succeeded by tuning out distractions and being keenly aware of what he didn't know.

Munger was genuinely authentic, and we loved this quote about life. He said, "It is so simple; spend less than you earn, invest shrewdly, never stop learning and avoid toxic people."

We couldn't agree more!



**Warren Fisher, CFA**

Founder & CEO

Manole Capital Management

**DISCLAIMER:**

**Firm:** Manole Capital Management LLC is a registered investment adviser. The firm is defined to include all accounts managed by Manole Capital Management LLC. **In general:** This disclaimer applies to this document and the verbal or written comments of any person representing it. The information presented is available for client or potential client use only. This summary, which has been furnished on a confidential basis to the recipient, does not constitute an offer of any securities or investment advisory services, which may be made only by means of a private placement memorandum or similar materials which contain a description of material terms and risks. This summary is intended exclusively for the use of the person it has been delivered to by Warren Fisher and it is not to be reproduced or redistributed to any other person without the prior consent of Warren Fisher. **Past Performance:** Past performance generally is not, and should not be construed as, an indication of future results. The information provided should not be relied upon as the basis for making any investment decisions or for selecting The Firm. Past portfolio characteristics are not necessarily indicative of future portfolio characteristics and can be changed. Past strategy allocations are not necessarily indicative of future allocations. Strategy allocations are based on the capital used for the strategy mentioned. This document may contain forward-looking statements and projections that are based on current beliefs and assumptions and on information currently available. **Risk of Loss:** An investment involves a high degree of risk, including the possibility of a total loss thereof. Any investment or strategy managed by The Firm is speculative in nature and there can be no assurance that the investment objective(s) will be achieved. Investors must be prepared to bear the risk of a total loss of their investment. **Distribution:** Manole Capital expressly prohibits any reproduction, in hard copy, electronic or any other form, or any re-distribution of this presentation to any third party without the prior written consent of Manole. This presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use is contrary to local law or regulation. **Additional information:** Prospective investors are urged to carefully read the applicable memorandums in its entirety. All information is believed to be reasonable, but involve risks, uncertainties and assumptions and prospective investors may not put undue reliance on any of these statements. Information provided herein is presented as of the date in the header (unless otherwise noted) and is derived from sources Warren Fisher considers reliable, but it cannot guarantee its complete accuracy. Any information may be changed or updated without notice to the recipient. **Tax, legal or accounting advice:** This presentation is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. Any statements of the US federal tax consequences contained in this presentation were not intended to be used and cannot be used to avoid penalties under the US Internal Revenue Code or to promote, market or recommend to another party any tax related matters addressed herein.