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## Berkshire Hathaway: The Investment Wizard

Berkshire Hathaway may not be a household name like Apple or Amazon, but it's a company that has quietly become one of the most successful and respected in the world of investing. In this reading passage, we'll take a deep dive into the business, history, and modern market of Berkshire Hathaway.

### The Beginnings of Berkshire Hathaway

Berkshire Hathaway's story starts in 1839 when Oliver Chace founded a textile manufacturing company in Rhode Island. Over the years, the company went through various transformations, eventually becoming a leading textile manufacturer in the United States.

### Warren Buffett's Entry

In the 1960s, a young investor named Warren Buffett began buying shares of Berkshire Hathaway. At that time, the company was struggling due to changes in the textile industry. Buffett believed in the company's potential and gradually acquired a substantial ownership stake.

### A New Direction

Warren Buffett's influence on Berkshire Hathaway was transformative. Instead of focusing on textiles, Buffett steered the company toward insurance and investments. Berkshire Hathaway started acquiring insurance companies like GEICO, and it became a holding company for a diverse range of businesses.

### Berkshire Hathaway Today

Today, Berkshire Hathaway is a conglomerate with investments in various industries, including:

- **Insurance:** GEICO, Berkshire Hathaway Reinsurance Group, and others.
- **Railroads:** BNSF Railway, one of the largest freight rail networks in North America.
- **Utilities:** Berkshire Hathaway Energy, which provides electricity and natural gas.
- **Consumer Brands:** Dairy Queen, Duracell, and Pampered Chef.



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- **Investments:** Holdings in companies like Coca-Cola, Apple, and American Express.
- **Manufacturing:** Precision Castparts, a manufacturer of complex metal components.
- **Real Estate:** Berkshire Hathaway HomeServices, a real estate brokerage network.

### Warren Buffett's Wisdom

Warren Buffett is often regarded as one of the greatest investors of all time. His investment philosophy is characterized by long-term thinking, value investing, and a focus on companies with strong competitive advantages.

### Berkshire Hathaway's Annual Meeting

One unique aspect of Berkshire Hathaway is its annual shareholder meeting in Omaha, Nebraska. Dubbed the "Woodstock for Capitalists," it's an event where tens of thousands of shareholders gather to listen to Warren Buffett and his business partner, Charlie Munger, share their insights and answer questions.



### Philanthropy and Giving Back

Warren Buffett and Berkshire Hathaway are known for their philanthropic efforts. Buffett has pledged to give away the majority of his wealth to charitable causes, with a significant portion going to the Bill and Melinda Gates Foundation.

### Challenges and Future

Despite its success, Berkshire Hathaway faces challenges such as succession planning, as Warren Buffett is in his 90s. The company's ability to adapt to changing markets and industries will be crucial for its future.