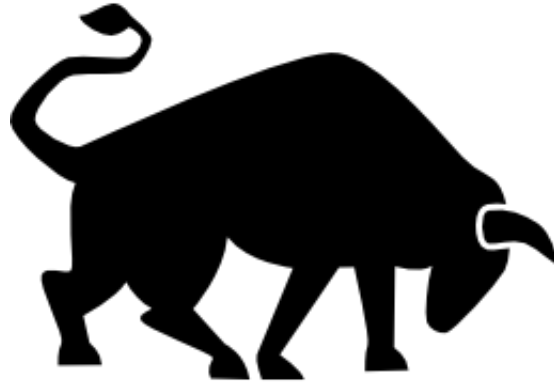


US Equities: Boom or Bust?



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S&P 500 Returns

Berkshire's Performance vs. the S&P 500

Year	Annual Percentage Change		
	in Per-Share Book Value of Berkshire	in Per-Share Market Value of Berkshire	in S&P 500 with Dividends Included
1965	23.8	49.5	10.0
1966	20.3	(3.4)	(11.7)
1967	11.0	13.3	30.9
1968	19.0	77.8	11.0
1969	16.2	19.4	(8.4)
1970	12.0	(4.6)	3.9
1971	16.4	80.5	14.6
1972	21.7	8.1	18.9
1973	4.7	(2.5)	(14.8)
1974	5.5	(48.7)	(26.4)
1975	21.9	2.5	37.2
1976	59.3	129.3	23.6
1977	31.9	46.8	(7.4)
1978	24.0	14.5	6.4
1979	35.7	102.5	18.2
1980	19.3	32.8	32.3
1981	31.4	31.8	(5.0)
1982	40.0	38.4	21.4
1983	32.3	69.0	22.4
1984	13.6	(2.7)	6.1
1985	48.2	93.7	31.6
1986	26.1	14.2	18.6
1987	19.5	4.6	5.1
1988	20.1	59.3	16.6
1989	44.4	84.6	31.7
1990	7.4	(23.1)	(3.1)
1991	39.6	35.6	30.5
1992	20.3	29.8	7.6
1993	14.3	38.9	10.1
1994	13.9	25.0	1.3
1995	43.1	57.4	37.6
1996	31.8	6.2	23.0
1997	34.1	34.9	33.4
1998	48.3	52.2	28.6
1999	0.5	(19.9)	21.0
2000	6.5	26.6	(9.1)
2001	(6.2)	6.5	(11.9)
2002	10.0	(3.8)	(22.1)
2003	21.0	15.8	28.7
2004	10.5	4.3	10.9
2005	6.4	0.8	4.9
2006	18.4	24.1	15.8
2007	11.0	28.7	5.5
2008	(9.6)	(31.8)	(37.0)
2009	19.8	2.7	26.5
2010	13.0	21.4	15.1
2011	4.6	(4.7)	2.1
2012	14.4	16.8	16.0
2013	18.2	32.7	32.4
2014	8.3	27.0	13.7
2015	6.4	(12.5)	1.4
2016	10.7	23.4	12.0
Compounded Annual Gain – 1965-2016	19.0%	20.8%	9.7%
Overall Gain – 1964-2016	884,319%	1,972,595%	12,717%

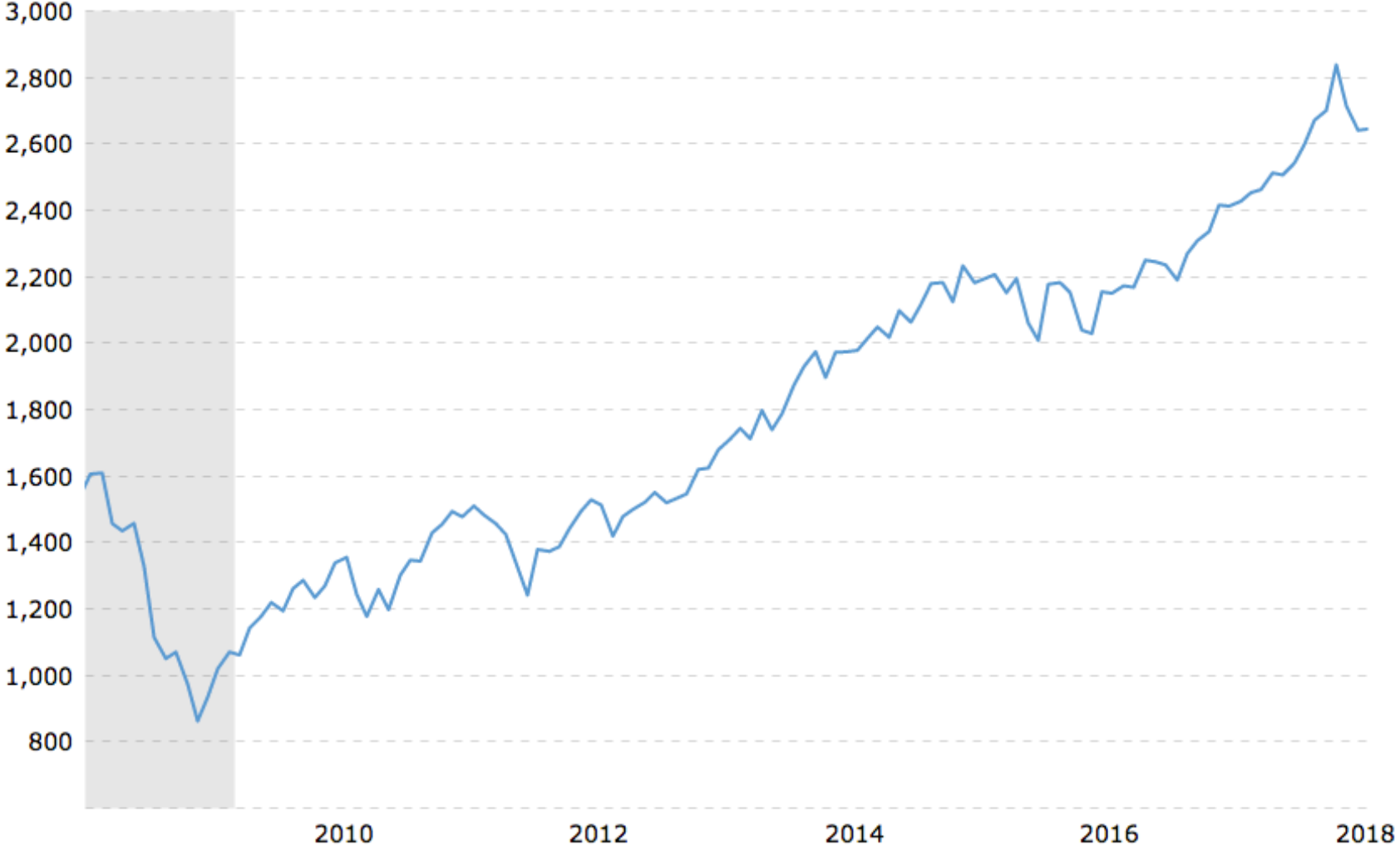
S&P 500 Performance 1927 - Present



Inflation Adjusted

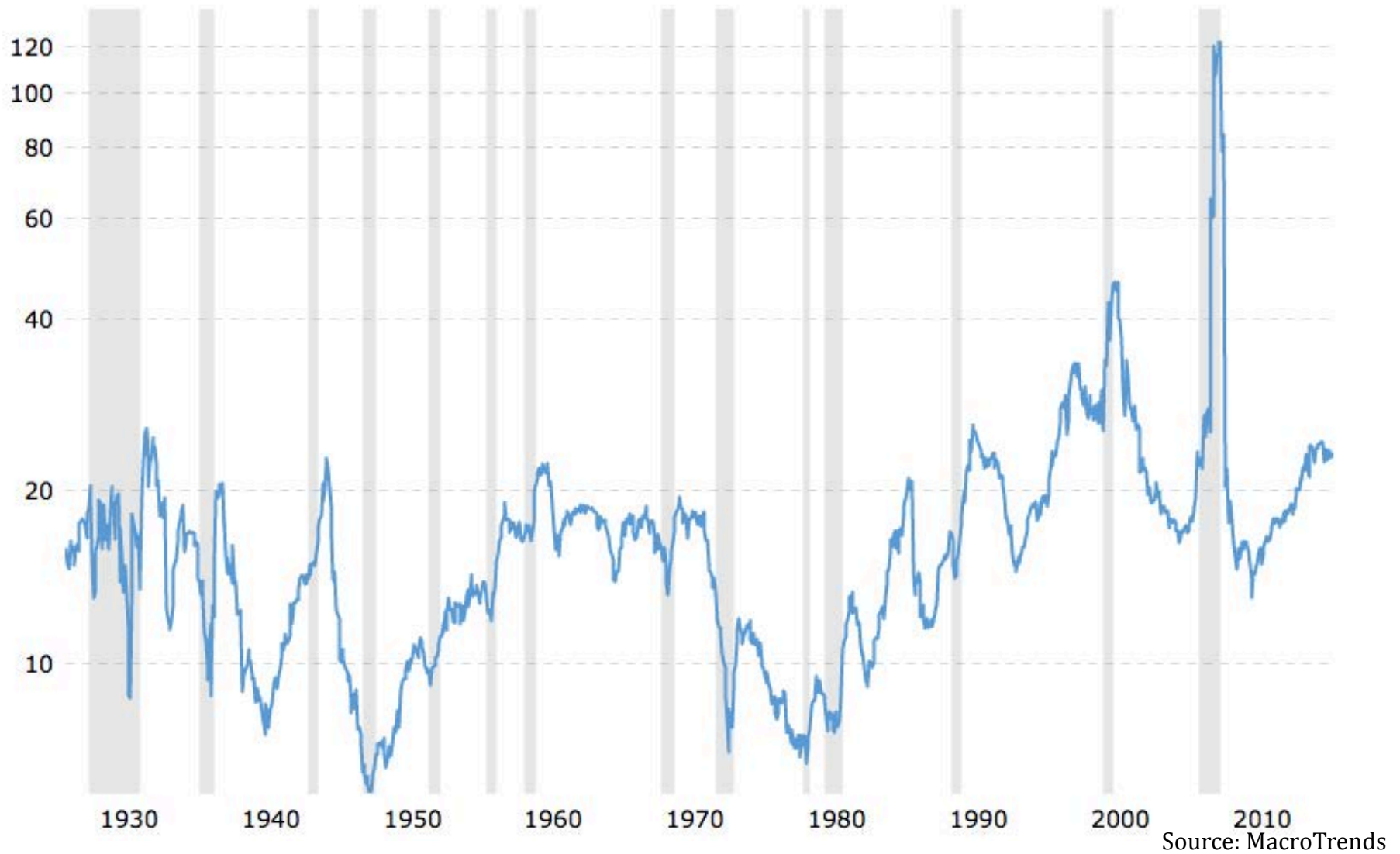
*Source <http://www.macrotrends.net/2324/sp-500-historical-chart-data>

S&P 500 Performance 2008 - Present



Inflation Adjusted
Source: MacroTrends

S&P 500 Historical PE Ratio



Interest Rates

- Historic Lows
- “Interest rates are to asset prices what gravity is to the apple. When there are low interest rates, there is a very low gravitational pull on asset prices.” – Warren Buffett

10-Year Treasury Rate 1962 – Present



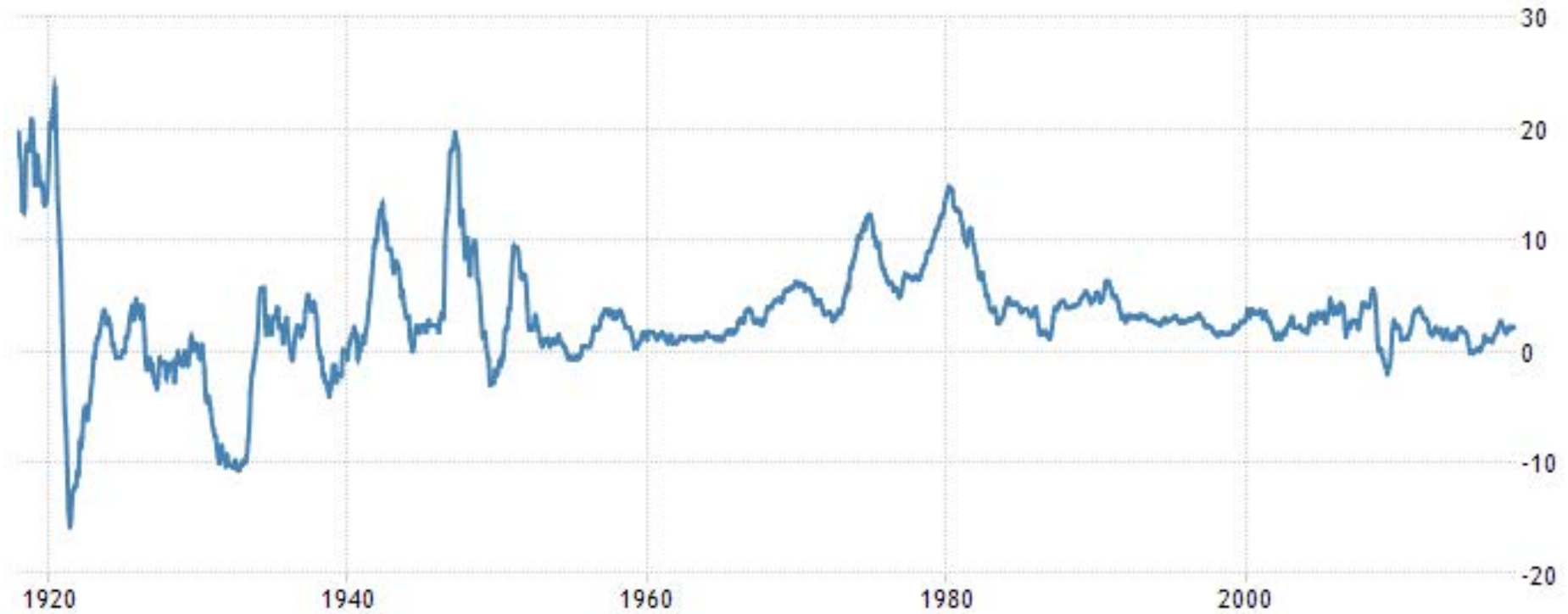
30-Year Treasury Rate 1977 - Present



Inflation Levels

- The all-items CPI index rose 2.2% for the 12 months ended February 2018
 - Slightly higher than the 2.1% for the 12 months ended January
- CPI historical average
 - 1913 – Present: 3.24%
 - 1970 – Present: 4.07%

US Inflation Rate 1918 - Present



*Source Trading Economics

US Inflation Rate 2008 - Present

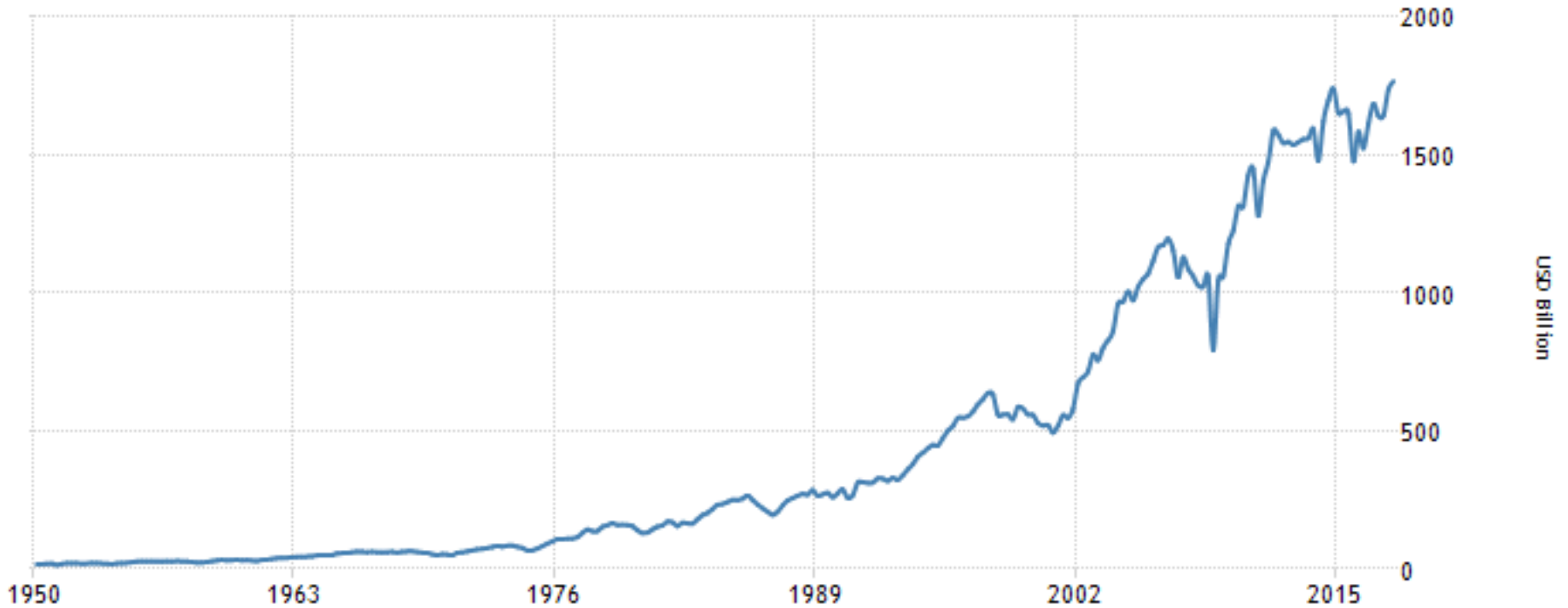


Corporate Earnings Growth

- After-tax Corporate Profits annual growth rate (1970 – present) is 8.3%

Corporate Earnings 1950– Present

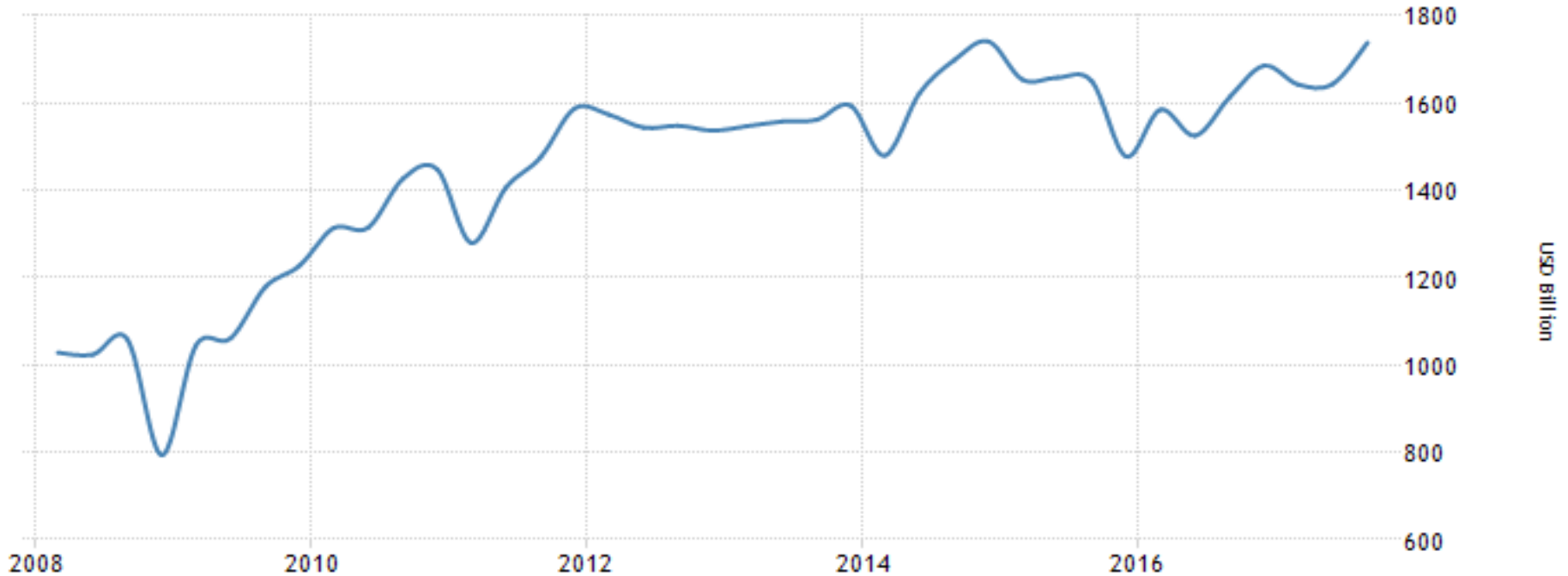
US CORPORATE PROFITS



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMICS ANALYSIS

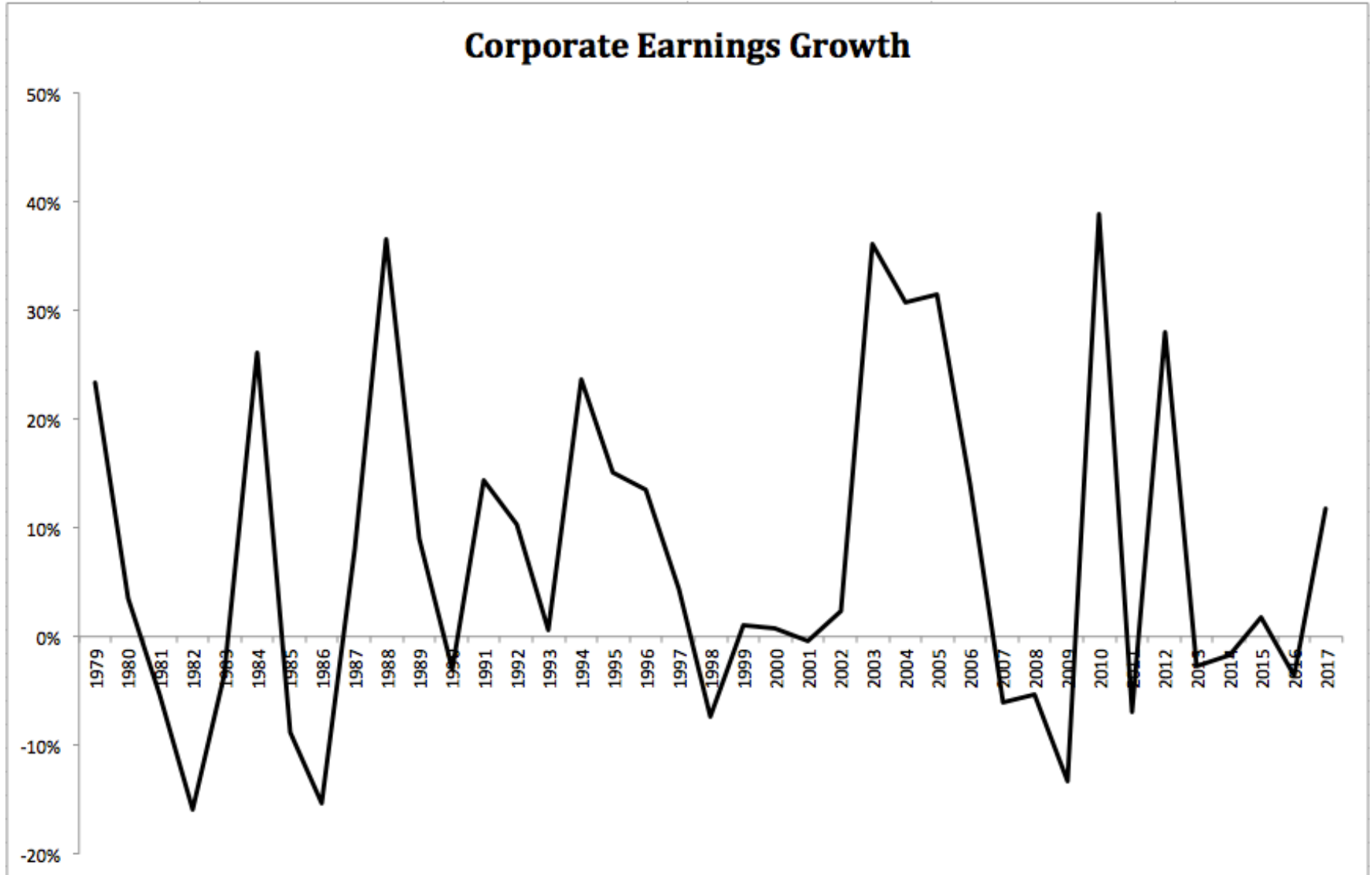
Corporate Earnings 2008 – Present

US CORPORATE PROFITS



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMICS ANALYSIS

Corporate Earnings Growth Rates 1979 - Present

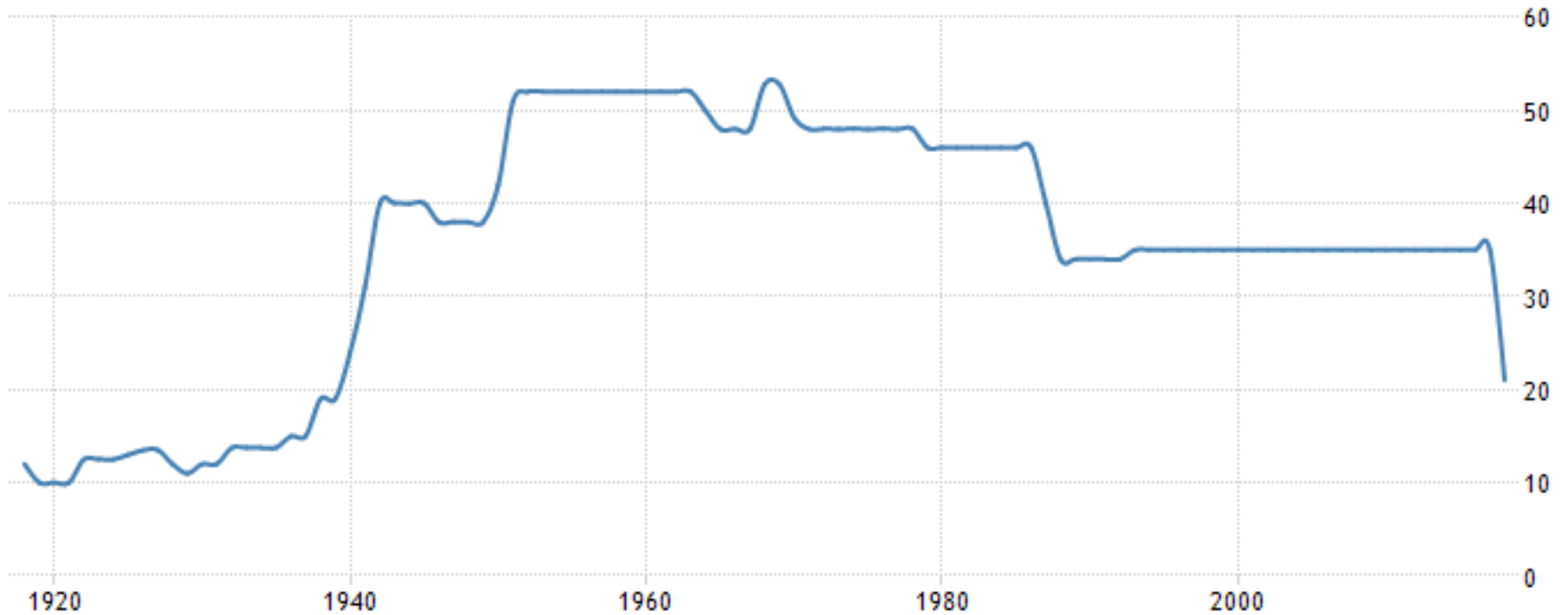


Change in the Corporate Tax Rate

- Corporate tax rate decreased from 35% to 21%
- Corporate Earnings will continue to grow

Corporate Tax Rate 1918 – Present

US FEDERAL CORPORATE TAX RATE



SOURCE: TRADINGECONOMICS.COM | INTERNAL REVENUE SERVICE

Closing Remarks

