

## What We're Seeing Right Now - December 2025

*Produced exclusively for clients and friends of Triad Investment Management*

Well, this is unusual. Never happened before at Triad. What's that, you say?

We're repeating ourselves. As in, becoming a broken record. For those of you old enough to remember vinyl records, you remember the tendency for the needle to get stuck in a record groove and play the same part over and over and over.

Well, that's kind of what we feel like because we are here to repeat the same message we provided last month. That message is it's time to be careful because bubble-like conditions continue to persist in the stock market.

This doesn't mean we think investing in the stock market is a horrible idea right now. On the contrary, we are finding plenty of high-quality companies available for investment at reasonable valuations.

At the same time, we find an awful lot of companies that we think are anywhere from modestly overvalued to horrendously overvalued. That's not a pond that we wish to fish in. We'd much rather invest by "shooting fish in a barrel." We had ChatGPT whip up this drawing and of course Chat is politically correct and has spared the poor little fishies from a direct hit.

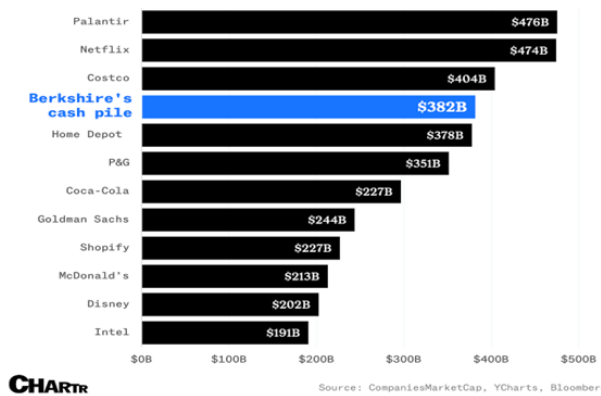


We spoke last month about the climbing mountain of cash at Berkshire Hathaway, the investment vehicle run since 1965 by Warren Buffett, perhaps the greatest investor of the past 50 years or longer.

The current cash pile at Berkshire Hathaway is roughly \$380 billion. To put that in perspective, the current market value of Berkshire is right around \$1.1 trillion. So, Berkshire is sitting on cash equal to about 35% of its total market value.

## Berkshire Hathaway's Cash Pile Is Larger Than Home Depot, Coca-Cola, Or Shopify Now

Market Capitalization, Selected Companies (\$billions, as of November 3)



Let that sink in. We mean, really sink in. Warren Buffett, who's been investing since the 1940's and built Berkshire Hathaway from an ailing textile business in the 1960's into a trillion-dollar enterprise **by making acquisitions**, is saying, **"hey folks, I can't find much of value in the stock market today."**

We'd guess this is the largest pile of cash compared to its market value that Berkshire has ever maintained. Is that concerning?

Buffett is a fan of consumer businesses. He could buy Procter and Gamble, Coca-Cola, McDonald's or Disney. Yet Berkshire's wallet remains closed. Why retain so much low-yielding cash?



There are dozens of companies that meet Berkshire's business quality requirements and that Buffett might buy if the asking price were reasonable. We conclude that the asking prices are simply too high and Buffett is waiting for better opportunities to spend the cash. The last significant investment that was disclosed by Buffett was investing around \$5 billion in Google stock during the third quarter. Coincidentally, we invested in Google for some of our strategies earlier this year. We're tempted to say that great minds think alike, but we won't say that.

Below are a few choice quotes from Buffett on being patient and waiting for the right opportunities:

- "We don't get paid for activity, just for being right. As to how long we'll wait, we'll wait indefinitely."
- "The stock market is a no called strike game. You don't have to swing at everything – you can wait for your pitch."

- *"Opportunities come infrequently. When it rains gold, put out the bucket, not the thimble."*

This reluctance mirrors our own thoughts regarding current investment opportunities for you, our clients. We would rather miss out on speculative short-term gains than endanger your long-term financial future. Most notably, artificial intelligence is captivating investor attention to the exclusion of other good opportunities. As we've said many times, we've seen this movie before, and the ending isn't pretty.



We don't want your retirement lifestyle to become a Freddy Krueger "Nightmare on Wall Street" horror show. We choose to take the tortoise approach—slow and steady wins the race—instead of the hare approach. We know how that Aesop fable ends.



We agree that A.I. will create massive benefits to society. And perhaps we are not giving enough credit to certain A.I. companies in the stock market. But at today's prices, we're willing to wait until valuations are better aligned with our view of the long-term opportunities. We are resolutely focused on SUSTAINABLE RESULTS for our clients over the longer term.

Sustainable is the keyword. At times investors become too exuberant and will pay very high prices for what is believed to be a sure bet. Often the sure bet turns out to be anything but.

We are confident that our clients don't want to start over and would prefer to keep what they have, while achieving adequate growth of capital to offset inflation and rising prices.

Maintaining emotional balance during periods of market euphoria can be difficult. We recognize these fears. It impacts every investor to some extent. Today, the acronym is FOMO, or fear of missing out. Maintaining emotional balance—resisting FOMO when markets are rising and remaining optimistic when markets decline—is a critical piece of satisfactory investment results to ensure that you can continue to enjoy your lifestyle without major financial interruptions.

We hope you agree. We are always available to further discuss this important topic or anything else that's on your mind.

PS. All images were done by us in seconds via Artificial Intelligence. Amazing stuff. We're believers in the magic of A.I. We just want you to participate in a financially responsible way.

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