

G'day investors!

Welcome to Wilma Wealth Management , I'm White Green, your closest investment mate!

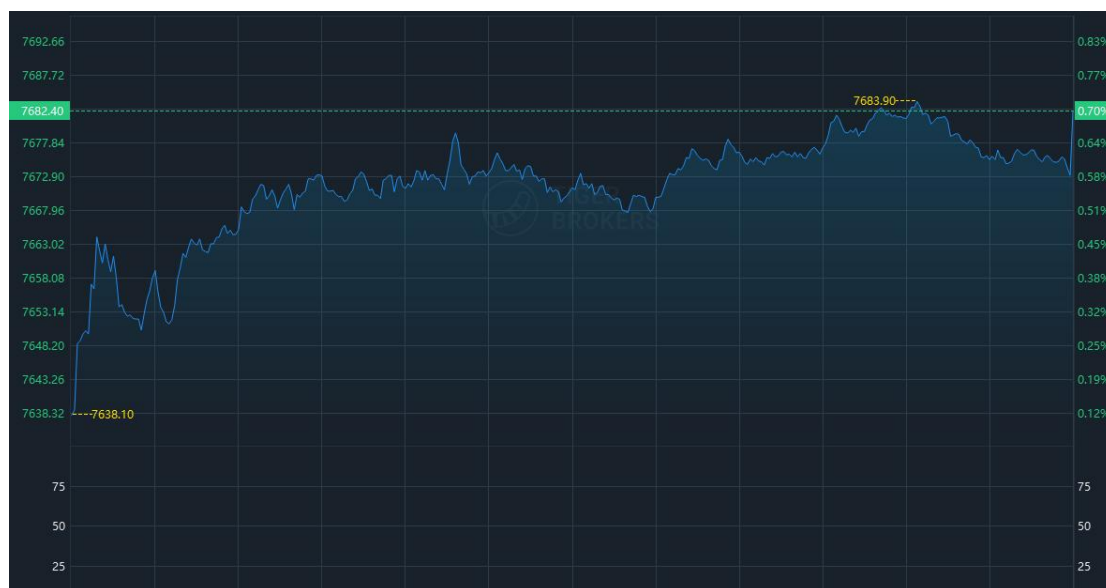
Today, the three major indices on the ASX have all risen, with the XJO index climbing for the third consecutive day. Will this upward trend continue into tomorrow? How should we assess the current market trend? Which sectors might face risks, and which may present opportunities?

At this weekend's Berkshire Hathaway annual shareholders meeting, Warren Buffett displayed his usual clarity of thought and stringent logic. However, his speech conveyed a cautious attitude, especially concerning the company's significant cash holdings and share buyback plans, indicating his struggle to find attractive investment opportunities in the current market environment.

Buffett emphasised the role of luck in his investment success and repeatedly mentioned his advanced age and the uncertainties of the future, all of which reflect his conservative assessment of market prospects. Those hoping to glean investment insights from Buffett's remarks might find themselves disappointed.

Tonight, we will discuss and explore the topics mentioned above, delving deep into Buffett's investment philosophy and his legendary investment career, and how his experiences can inspire our thinking on the investment path. By analysing Buffett's strategies and market insights, we hope to better understand the complexities of investing and how to make wise decisions in an uncertain market.

Are you ready to get started?



This image is an intraday chart of the XJO index.

Market Review for Today: Most of the heavyweight sectors in the market performed strongly today, especially the real estate sector, which led the gains buoyed by positive news. In the morning session, the index initially fluctuated upward, driven by major sectors such as real estate, financials, and materials. On the trading floor, real estate, financials, utilities, and materials sectors showed significant increases. In contrast, the industrials, food retail, and healthcare sectors were relatively weaker today, experiencing slight declines.

In today's globalized economic environment, the correlation between the Australian sharemarket and the US sharemarket cannot be overlooked. Understanding the trends in the US sharemarket is crucial for our investment in Australian stocks, as it can help us more accurately seize investment opportunities in the Australian sharemarket due to the significant impact of US market movements on Australian stocks. Next, let us analyse the potential trends in the US sharemarket and how we can use this information to assess the future trajectory of the XJO index. This approach will help us make more precise and strategic investment decisions, ensuring we maintain an advantage in the ever-changing market environment.



This chart is a two-hour trend of the Dow Jones Index

Analysis of the Dow Jones Index trend: From a technical analysis perspective, the Dow Jones Index has shown an upward trend on the two-hour chart since mid-April and is currently approaching the upper boundary of its ascending channel, near the resistance area. Especially around the 38,800 to 38,900 points range, which not only coincides with the position of the MA55 moving average on the daily chart but also aligns with the MA13 moving average's pressure point on the weekly chart. Consequently, the 38,800 to 38,900 points range forms a significant resistance zone across the hourly, daily, and weekly levels. Given this, without positive market news, the Dow Jones Index faces a higher risk of a pullback near these resistance levels in

the short term. Those investing in the US sharemarket should be particularly vigilant about this potential retreat in the coming days.



This image is a daily chart of the XJO index.

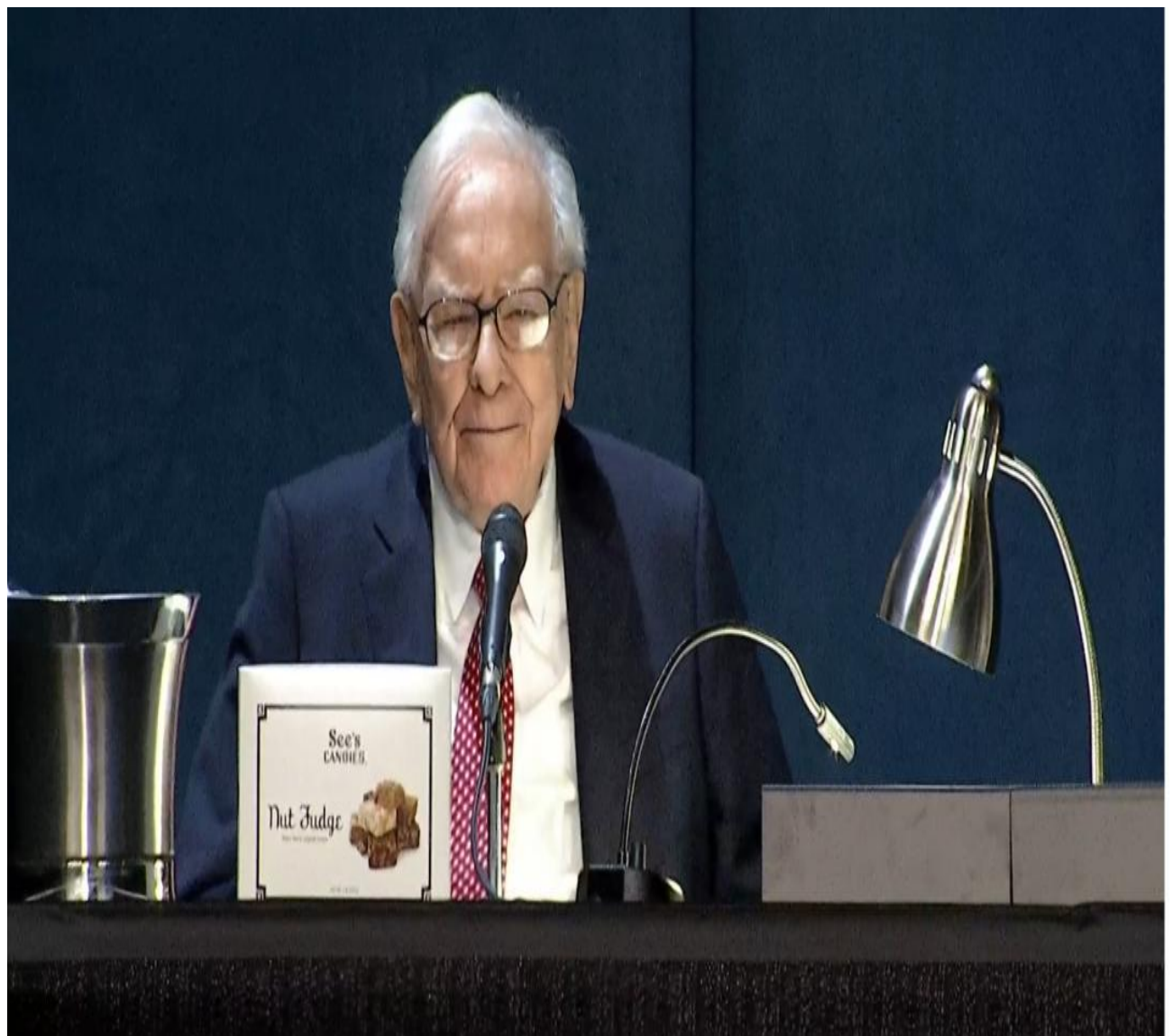
Analysis of the XJO index trend: Observing the daily chart of the XJO index, we can see that the index has found solid support around the 7,570 point mark and has shown signs of a rebound for three consecutive days. On the daily chart level, the performance of the XJO index is somewhat similar to that of the Dow Jones Index, with three days of gains bringing it close to the technical resistance area of the MA34 and MA55 moving averages. Additionally, from a weekly chart perspective, the index is also under pressure from the MA13 moving average, indicating that in the 7,710 to 7,720 point range, the XJO index may encounter strong upward resistance.

Given the recent performance of the Dow Jones Index and the XJO index, it is anticipated that the XJO may soon require a technical adjustment. In this context, for those sectors that have already achieved significant gains earlier, such as Coal and Consumable Fuels, Healthcare Technology, and the Financial sector, it might be prudent to consider taking profits and exiting. This strategy allows for waiting until market risks diminish before seeking new investment opportunities.

At last weekend's Berkshire Hathaway annual shareholders meeting, Warren Buffett once again demonstrated his clear thinking and rigorous analytical skills. Buffett predicted that by the end of this quarter, Berkshire's cash reserves could reach \$200 billion. In response to investor queries

about the large amounts of uninvested cash, Buffett explained, "We invest only at the 'right time'. We are very keen to invest, but we only do so when we believe the investment has a very low risk and can generate significant returns." This strict investment discipline is a core part of Buffett's legendary investment career.

As the leader of Berkshire Hathaway, Warren Buffett is not only a legendary figure in the investment world but also a major influencer in the global financial markets. His every investment decision and understanding of the markets are closely watched by investors worldwide. Through tonight's sharing, I hope to help participants by analyzing Buffett's investment strategies and market views, to further optimize our investment portfolios and philosophies. Understanding how Buffett assesses investment opportunities and manages risks will provide valuable insights for our own investment strategies, helping participants to become more rational and forward-thinking investors.



Warren Buffett, born in 1930, is a globally renowned investment guru, famed for his profound market insights and long-term investment perspective. His investment career began in his teenage years, receiving an initial education in the sharemarket at his father's brokerage firm. During his time studying for a Master's degree in Economics at Columbia University, Buffett was mentored by the father of value investing, Benjamin Graham, whose investment philosophy greatly influenced him. He advocated for identifying stocks where the market price was below their intrinsic value.

In 1956, Buffett founded Buffett Partnership Ltd., marking a significant turning point in his career. He adopted an aggressive investment strategy, focusing on companies undervalued by the market and achieving remarkable success. In 1962, Buffett began acquiring shares in Berkshire Hathaway and eventually took control, transforming it into a diversified investment holding company.

Buffett's investment philosophy emphasizes investing in businesses that are easy to understand, require a sufficient margin of safety, and focus on holding stocks long-term to secure sustained returns. He also values the quality of management, financial health, and competitiveness of a company. Additionally, he is a noted philanthropist, having pledged to donate the majority of his wealth to charitable causes.

Warren Buffett's investment record is legendary, having achieved tremendous success through Berkshire Hathaway's investments in several companies such as the well-known Coca-Cola, American Express, Gillette, The Washington Post, and Apple (acquired in 2016, with a 13% reduction this year). These stocks have all been highly successful. Today, Buffett is not only a legendary figure in the investment world but also a major influencer in the global financial markets. His investment decisions and market insights continue to be closely watched by investors worldwide.

Warren Buffett's investment logic has not only been tremendously successful in accumulating wealth but has also brought many insights to us in the financial markets:

1. *Value Investing*: Buffett has built his wealth by purchasing undervalued stocks and holding them for the long term, emphasizing thorough fundamental analysis of companies to determine their true value.
2. *Patience in Holding*: Patience is a core component of his strategy, demonstrating that long-term holding of stocks can yield significant returns and avoiding impulsive decisions due to short-term market fluctuations. At this point, I'd like to ask the participants, with stocks like AGL

and COL showing positive trends, do you have the patience to wait?

3. *Investing in Familiar Territories*: Buffett insists on investing only in businesses he understands, which means that individual investors should focus on markets and companies they are familiar with.

4. *Quality Over Quantity*: He opts to invest in a few high-quality assets rather than diversifying broadly, seeking companies with sustainable competitive advantages and excellent management teams.

5. *Financial Discipline*: Buffett maintains strict investment discipline, making decisions based on the fundamentals of the business rather than chasing market trends.

6. *Contrarian Approach*: In downturns, he looks for undervalued quality stocks, demonstrating the ability to remain calm during market panics.

7. *Social Responsibility*: He has pledged to donate the majority of his wealth to charity, showing a sense of social responsibility with his wealth.

These principles have not only guided Buffett's investment actions but also provide valuable guidance for all investors. By learning and practicing these principles, participants can approach market volatility more rationally, thereby achieving long-term financial success.

Through studying Warren Buffett's investment experiences, we can understand the importance of reducing the cost of trial and error. Buffett believes that investment decisions should be based on a deep understanding of a company's value rather than merely following short-term market fluctuations. He focuses on the intrinsic value of businesses, avoiding investment pitfalls and enhancing decision quality by conducting detailed analyses of companies' fundamentals, such as financial health, business models, and management teams.

Buffett also emphasizes the importance of patiently waiting for the right opportunities, likening it to choosing when to swing in a baseball game. He advocates for a "long-term holding" investment philosophy, suggesting that frequent trading not only increases costs but is also susceptible to market fluctuations, thus affecting decision-making. Buffett's approach is to select companies with long-term growth potential and then invest continuously, capitalizing on the effects of compounding to achieve capital appreciation.

These lessons remind us that as investors, we should conduct thorough research, choose companies with long-term value, and maintain patience after investing, undisturbed by short-term market fluctuations.

By studying Warren Buffett's investment philosophy and strategies, we can gain a deeper understanding of the importance of value investing and learn how to optimize our investment portfolios by minimizing the cost of trial and error and valuing time, thereby achieving success in the sharemarket.

In tomorrow night's session, we will conduct an in-depth analysis from a value investing perspective of a sector worth focusing on in the market, and assess some of the leading stocks within that sector. Additionally, we will select and set up a medium to long-term value investment stock. Participants, are you looking forward to tomorrow's class? I look forward to discussing with you, deepening our understanding of value investing, and together searching for quality investment opportunities in the market.

Tonight's discussion comes to an end, and I thank everyone for their active participation. Before we conclude, I leave you with a question to help deepen your understanding and digestion of today's discussion:

1. What insights do you gain from Warren Buffett's investment story?

I hope this question stimulates your thinking. We will continue to explore sectors and stocks of investment value in the Australian sharemarket in tomorrow's session, and I hope you will all actively participate and progress together.

Have a good night! Investors!