



## Long-Term Portfolio: Markel

Even with our relatively high monthly budget of \$1,000, this stock is actually too expensive for us. However, because we firmly believe that Markel will deliver double-digit returns on average for us in the coming decade, we still want to take action. Some brokers also allow the purchase of less than one share. Additionally, there might be Christmas bonuses available at certain points, which could be well invested here.

### Alternative Purchases:

Before we discuss Markel, here's another important note: If it's not possible for you to buy or add more of this stock, suitable alternatives in the portfolio would be shares of Investor AB or Munich Re. Another alternative outside the portfolio would be the Class B shares of Berkshire Hathaway. We believe that in the next ten years, Markel will provide a better return, but in a larger portfolio, with about 25 or 30 positions, BOTH stocks would be in the portfolio.

### Markel Corp. <https://ir.markel.com/>

ISIN	US5705351048
Current Price	\$1,429.59
Market Capitalization	\$18.97 billion
Profit Growth 2020 to 2024e	+94.6%
Dividend 2023e	\$0.00
Dividend Yield 2023e	0.0%
Earnings Per Share 2023e	\$108.27
P/E Ratio 2023e	13.2

### Markel's Quarterly Numbers:

The last quarter was weaker than expected by the market. Markel's focus on the insurance business in recent years has been less on underwriting property insurance, mainly because the company wanted to minimize the risk of natural disasters. Instead, they focused more on liability insurance, including professional liability as well as general liability and various specialized insurance lines, including cyber insurance and financial insurance (covering, for example, M&A transactions and IPOs, which were declining). Generally speaking, the larger "hard market" in the insurance industry is primarily in property insurance and not so much in private or professional liability insurance. Due to a fraud case (Vestoo), this orientation was disadvantageous in the past quarter, but in the long term, we consider it very sensible.

### The Portfolio:

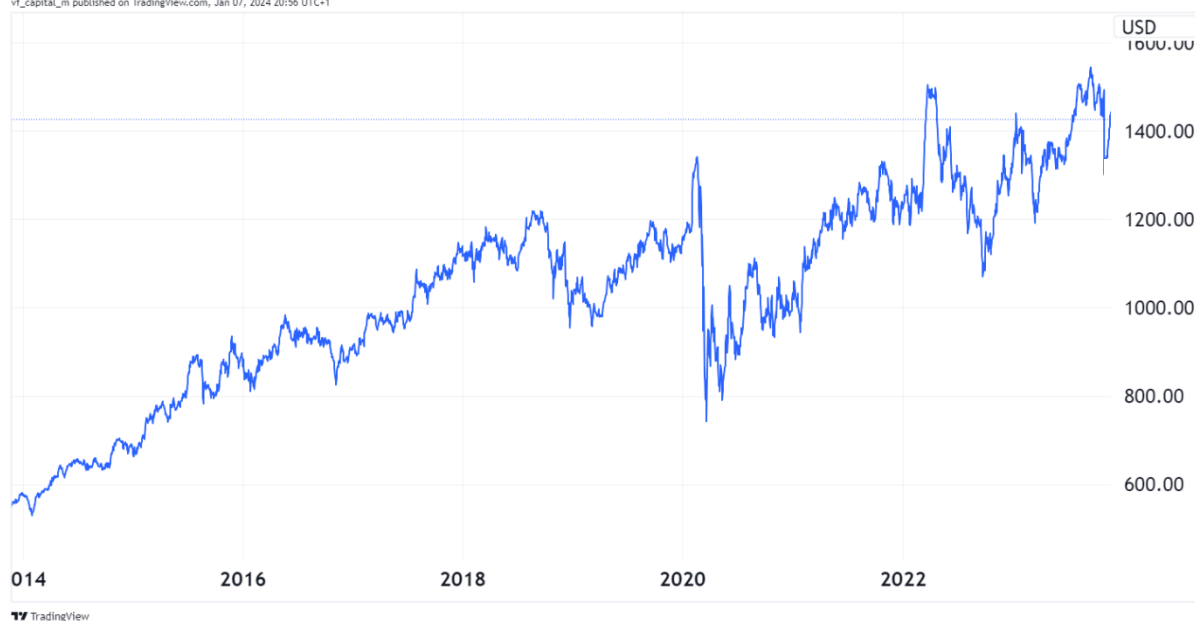
The operating results of Markel Ventures, the portfolio of non-insurance companies, have grown significantly in the past year, and the net investment income from the portfolio (dividends and bond coupons) has increased in an otherwise challenging market phase. The parallels to Berkshire Hathaway's business are not coincidental; Markel CEO Thomas Gaynor is an avid follower of Warren Buffett and Berkshire Hathaway, which, in turn, are also invested in Markel. Both companies generate high cash flows through their insurance business. The key difference is in the investment approach, and we prefer Markel's orientation.

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## Markel In Our Stock Check:

Profit Growth:	The insurance business delivers stable returns.	+
Debt:	No abnormalities.	+
P/E Ratio Evaluation:	Also attractive compared to industry peers.	+
Industry Outlook:	Not a criterion for a company of this type.	-
Technical Analysis:	Long-term uptrend intact.	+
Market Leader:	No. Less relevant for investment companies.	-
Management Quality:	Top.	+
Dividend Yield:	No payouts.	-
Business Model:	Profits are reinvested wisely.	+
Insider Buys/Sells:	CEO Gaynor buys in a big way.	+

vf\_capital\_m published on TradingView.com, Jan 07, 2024 20:56 UTC+1



**Our conclusion:** CEO Thomas Gaynor is buying stocks in a big way, which is a loyalty gesture that we appreciate. The significantly smaller Markel is likely to experience larger fluctuations in the future than Berkshire. However, we believe in a great success story in the coming years and therefore want to increase the position in the LTP with an additional Markel share.

### Buy-Order

ISIN	US5705351048
Transaction	Buy
Exchange	NYSE
Quantity	1
Current Price	\$1,429.59
Buy-Limit	\$1,450