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BUFFETT: Here's why real estate agents warrant their high fees, but stock pickers don't



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Warren Buffett participates in the newspaper tossing challenge at the Clayton Home in the exhibit hall during the Berkshire Hathaway Annual Shareholders Meeting at the CenturyLink Center in Omaha, Nebraska, U.S. April 30, 2016.

Ryan Henriksen/Reuters

Berkshire Hathaway's annual shareholder meeting on Saturday, Warren Buffett echoed his criticism of stock pickers' fees when he compared them to what brokers charge.

- The Berkshire Hathaway CEO said brokers' fees are not "crazy" compared to the value they add by helping change peoples' lives through homeownership.
- Buffett said Berkshire may have "another couple" more brokerage acquisitions to announce soon.
- He has famously criticized hedge funds' two-and-20 fee structure — 2% of the investment's value and 20% of the profits — because he believes a cheap S&P 500 index fund is better.
- Follow Business Insider's coverage of [Berkshire Hathaway's annual meeting 2018](#).

Berkshire Hathaway CEO Warren Buffett once again slammed the fees charged by stock pickers who tout their potential to outperform the broader market.

This time, at the company's annual shareholder meeting on Saturday, Buffett was responding to a question that likened brokers' commissions to active managers' fees. In fact, the questioner said, brokerage fees were "more detrimental" for an investor than a stock picker who underperformed.

According to Buffett, brokers' fees are not "crazy" compared to the value they add by helping change peoples' lives through homeownership.

"I would say that people who manage money make a whole lot more money with perhaps less contribution to the welfare of the person that they're dealing with," Buffett said.

Buffett has famously criticized hedge funds' two-and-20 fee structure — 2% of the investment's value and 20% of the profits — because he believes a cheap S&P 500 index fund is better. At the end of 2017, he handily [won a decade-long bet](#) he had entered with five funds of funds.

[Berkshire Hathaway HomeServices](#), the company's residential real-estate brokerage business, is now the second-largest in the US.

"I don't think there are unusual profits involved in the ownership, Buffett said of real estate businesses.

He added: "We will continue to buy more brokers and in fact, we'll probably have another couple to announce before long."

Check out all of Business Insider's coverage of the Berkshire Hathaway meeting [here](#).