

Warren Buffett - a gambler of our time

The investment banker Warren Buffet made irreversible mistakes during the stock exchange crash in 2020 and keeps going with Apple.

By Ali Topdemir

In February and until the middle of March, many global stock exchanges crashed down and were corrected until 40%. That was a big financial crash. A first big mistake, that Warren Buffett has made obviously in that time is that he missed the stock exchange crash. To act in that time could have been a chance, that an investor has once per decade. But Warren Buffett decided to keep his money at that time.



Much worse was that the parts of the airlines have been sold at an unfavorable time, compared to the present. The crash could have been an opportunity, but with Warren's forgoing the possibilities that came through the crash vanished away.

Why didn't Buffet act while the stock crash?

Although Buffet had the chance to buy cheap and didn't do it, we should remember one thing: Warren Buffett is not only an investor, he is also an employer and must think like a manager. He had over 130 Million US-dollars in cash at hand, which is a strong financial backup.

Later on, Buffett explained that he could not estimate the risks in the insurance and reinsurance sector. At least that is an explanation why Buffett held back in the

first case.

A second mistake, which possibly lasts until date, is the strong concentration in the portfolio of Berkshire Hathaway, which is a collection of 80 companies in which Buffet invests and earns money (also called conglomerate). From Apple alone, which is a part of the conglomerate, Buffett gets a portion of approximately 130 Million US-dollars. Measured on a total worth of the listed portfolios Apple was worth 250 Million US-dollars and with the crash Apple came to a value approximately half of what it was

Everyone asks themselves why Warren acts without responsibility?

Buffett's addiction to brands
Berkshire portfolio includes some of the most valuable brands in the world

Brand	Brand value*	BrandZ rank	Berkshire stake
IBM	\$107.5bn	3	6.3%
Coca-Cola	\$80.7bn	6	9.1%
Walmart	\$54.3bn	13	9.2%
Walmart	\$35.3bn	22	1.8%
UnitedHealth	\$34.4bn	24	14.2%
Paycom	\$22.6bn	39	1.9%**
ExxonMobil	\$19.8bn	48	0.9%
Gillette	\$19.0bn	52	1.9%**
Bankcorp	\$14.9bn	65	5.3%
TESCO	\$14.8bn	66	3.7%
Berkshire Hathaway	To be continued...		100%

*Based on data from BrandZ, Kantar Retail and Bloomberg
Source: Millward Brown/BrandZ, Berkshire Hathaway 2019 annual report



Warren Buffett is a fan of concentrated investments and he says that too much diversification is something for investors who do not know what they are doing. Warren Buffett doesn't see the investments in Apple as just a participation anymore. He sees the participation as an independent business area in the Berkshire Hathaway conglomerate. That may explain a bigger focus on Apple. Buffett particularly expressed that Apple is the best company for him.