



Are Warren Buffett's Investing Ideas Becoming Out-Of-Date?

Description

Warren Buffett is the most successful investor of all time. He has become one of the richest people on earth, and has done so through following a relatively simple strategy which is not out of the reach of any private investor.

His focus on value investing has been relentless, and he has been able to identify and buy high-quality stocks while they are trading at fair valuations. He has then held them for a significant period, and this has led to him making \$billions from the stock market.

As ever, though, the investment world is evolving. The internet is contributing to a faster pace of change, with news and sentiment seemingly being updated constantly. Could it therefore be time for investors to change their own strategies and no longer follow Warren Buffett's investment style?

Changing focus

While in previous years, investors held stocks for significant time periods, today holding periods are relatively short. The internet has made trading stocks much easier, with the cost and logistics involved in doing so having been simplified in recent years. As such, many investors may be more willing to buy and sell over a short-term time period. And with news flow changing rapidly and being disseminated at an extremely fast pace, some investors may argue that a 'buy and hold' strategy no longer works as well as it did even ten or twenty years ago.

In fact, with the current bull market having lasted for around a decade and being one of the longest bull markets in history, some investors may argue that shorting stocks, buying options and a number of other strategies could be useful over the medium term. They may help to protect a portfolio's valuation, and even allow an investor to benefit from falling stock prices.

Constant themes

The reality, though, is that Warren Buffett's methods continue to work in the long run. Certainly, there

will be periods of time when losses are made. But over an investor's career, buying high-quality stocks at a [fair price](#) and holding them for the long run is likely to deliver impressive total returns. Furthermore, it is a simple strategy which has a track record of success – as demonstrated by the Sage of Omaha's status as one of the world's wealthiest people.

Buffett's focus on keeping cash in case of emergency, buying stocks during bear markets and holding them for the long term also provide an investor with peace of mind. While buying and selling over a short time period, using leverage and shorting stocks may have appeal to some people, the reality is that they are likely to involve significant effort and also cause worry if things don't work out as planned. Value investing, in contrast, provides investors with a logical approach which can help them to ultimately perform the one task that all investors seek out: to buy low and sell high. Therefore, it seems as though Buffett's strategy is just as relevant as ever.

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Author

peterstephens

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