



## Is Warren Buffett Too Old to Make Risky Bets?

### Description

“When it rains gold, put out the bucket, not the thimble.”

Warren Buffett said these wise words regarding purchasing stocks when the market is in decline, and you can get high-quality stocks for a bargain. We saw a massive decline in the stock markets due to the onset of the COVID-19 pandemic.

We did not see the Oracle of Omaha put out the US\$138-billion bucket that **Berkshire Hathaway** has amassed over the past several months.

I was among the people who expected Warren Buffett to make substantial moves on the stock market to buy shares and even entire companies amid the downturn. His reluctance to do so was initially confusing for many investors. It could be a sign that Buffett [does not think it is raining gold yet](#).

There is also another way of looking at the situation. One money manager certainly believes that Buffett's inactivity is an entirely different matter.

### Too old to take risks

Money manager Ken Fisher, the Chief Executive Officer of Fisher Investments, weighed in on Warren Buffett's decision to sit on the sidelines during the COVID-19 pandemic. In an interview with *CNBC*, Fisher stated that Buffett's stance is likely due to his advanced age.

He believes that the 89-year-old investor regarded as one of the most successful investors to exist is becoming more cautious.

Fisher went on to say that the reality of great investors, including his father, is that they lose their edge after they reach a certain age. Ken clarified that he does not mean to say that Buffett has lost his edge. However, he implies it by saying that there is no history of people his age who do not become static during a crisis.

## No recent major moves

Since the start of the pandemic, Berkshire has made no significant moves. The global pandemic continues to decimate economies. While there was a substantial downturn in stock markets that led to devastating lows in March 2020, stock markets have begun to rally to better valuations. Some investors believe that markets are recovering.

During this time, the only substantial move Buffett made was to sell his airline stocks. He admitted that he made a mistake by investing in the sector. As far as his inactivity is concerned, Buffett might have a few reasons to be cautious about the market. There is a [possibility of another downturn](#).

## Current holdings

Buffett is famous for investing primarily in U.S. companies. However, the Oracle of Omaha recently forayed into the Canadian stock market. He picked up shares of both **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) and **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) before his period of inactivity began.

Warren Buffett holds almost 15 million shares of Suncor Energy as of March 2020. At writing, his investment in the stock is worth \$368.96 million. The stock is down by more than 45% from its January 2020 peak before the pandemic struck.

The stock has fallen by almost 27% in the last five years and underperformed compared to the broader market in this period.

However, Suncor has made a substantial recovery from its March 2020 low. It is up by more than 63% from its multi-year low. The integrated energy company has suffered from the one-two punch between the oil price wars and decimated demand amid the pandemic. However, things can become better once economic activity recovers around the world.

Restaurant Brands International, the fast-food kingpin, declined by more than 60% from peak to trough with the lockdown taking effect. As it turns out, the frenzied sell-off was blown out of proportion by investor panic.

The stock has bounced back by more than 88% from its multi-year low, and it seems set to recover completely once economies begin opening up.

The recovery shows that it is a solid bet, but the stock will remain volatile, depending on news from the virus. It may impact short-term gains, but could prove to be a substantial long-term investment if you do not panic due to the sell-offs that might happen in the coming months.

## Foolish takeaway

Whether you agree with Fisher about Buffett's age being a factor, or you believe another downturn is on the way, I think Suncor and Restaurant Brands can continue to be excellent assets to hold onto for the long run.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)
4. TSX:SU (Suncor Energy Inc.)

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