



Warren Buffett's Portfolio: DON'T Use It As a Template

Description

In the past, investors looked to Warren Buffett and his portfolio **Berkshire Hathaway Inc.** for inspiration for their own portfolios. It makes sense. If you want to get rich, look at what the richest guy around invests in, right?

While here are the Motley Fool we absolutely support the Warren Buffett method of long-term buys, right now it might be better to find some other investment options. After the worst performance in the markets in a decade, Berkshire had one of its worst performances, with this year looking similar already.

The investments

Warren Buffett made some great deals in the past. But that was then. Berkshire hadn't made a single new acquisition in the last four years, until just this week. The company came out of its merger and acquisition hibernation on July 6 to buy **Dominion Energy Inc.'s** natural gas pipeline and storage assets for US \$9.7 billion.

Analysts weren't that excited, as Berkshire chose yet another old-school sector by going with natural gas. Berkshire's cash is now at US\$127.3 billion, which sat around while the markets dipped and many expected Buffett to buy up cheap stakes.

While many analysts predict multiple downturns, they aren't likely to reach the bottom we saw in March. That means this all-star investor likely missed out on a great opportunity. Many of these opportunities have been in an industry outside of Warren Buffett's interests: tech.

Keeping up with the markets

Warren Buffett knows banks. While it can be argued Berkshire invests in the traditional FAANG members, it severely lacks in true groundbreaking tech companies. Instead, it's *steady as she goes* in the banking industry. This has investors worried that Buffett may miss out on further opportunities,

such as these tech companies carrying the 2020 rebound.

The dotcom industry isn't new anymore, and large portfolios like Berkshire need to get behind these companies. There are still value stocks out there that will be around in the next 25 years, and it's up to people like Warren Buffett to seek them out and invest.

Of course, you want him and his team to be certain of the investment, so I wouldn't be in a rush. But while you wait, there are options.

The best tech bet

It appears that Warren Buffett doesn't buy up these tech companies until *really* proven on the markets. I'm not sure **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) is there quite yet, but it could be soon. While this tech company might have a high share price, if you're looking to be like Buffett and buy and hold for the long term, then this could be your next solid buy.

Analysts believed Shopify would fall in a recession. Instead, it's hit [all-time highs](#) again and again, recently hitting the \$1,400 per share mark. While there's bound to be some market correction, it's unlikely the stock will sink by even \$1,000 in the next year unless something truly remarkable happened.

Shopify management seems to know what it's doing, investing in the right areas and pushing out new products at the right time. Revenue beats analyst expectations again and again, with its subscriptions climbing the charts.

But if you're a [long-term investor](#), know that the recent explosion is bound to slow down eventually. The company is still in set-up mode, accounting for the strong performance. Once it levels out, shares will too.

Bottom line

While Warren Buffett might be stuck, you don't have to be. Investing in a stock like Shopify now means by the time Buffett gets around to it you could see a huge increase in share price.

While it can be beneficial to follow a company like Berkshire Hathaway, always question who is making those decisions and why, which could lead you on a totally different path to profits.

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