



Warren Buffett Has Made \$40 Billion Since March Off This 1 Stock

Description

People are leveling criticisms against Warren Buffett in 2020. Investors in his conglomerate **Berkshire Hathaway** expressed frustration, because instead of preserving capital and building wealth, the market value of their investments is falling. Some long-time investors are scaling down their positions, if not pulling out altogether.

Buffett's followers are questioning his inaction during the recent market selloff. Berkshire has a record of US\$137 billion in its cash pile, yet it's been employing a [maximum defence approach](#). It should be taking advantage of the situation and buying attractive options for the benefit of investors.

Lost mojo

Has [Warren Buffett lost his touch](#) in the pandemic? It appears that is the consensus among market observers. His agility is gone perhaps due to age, or perhaps Buffett's investment style doesn't apply anymore in the current landscape. Berkshire has been losing since the 2008 financial crisis, which indicates the value investing strategy is failing.

According to the Bloomberg Billionaires Index, Buffett is the biggest loser among the world's biggest billionaires for 2020. His wealth shrunk by \$19 billion this year, although he's still the sixth-richest person on Earth. Nevertheless, Buffett's sagging fortune is casting doubt on his strategy.

Not a bad "Apple"

Warren Buffett is not a total loser because of his greatest trade ever. American tech giant **Apple** is his saving grace, as gains from the iPhone maker since the end of March 31, 2020, are a whopping \$40 billion. Berkshire's stake in Apple is 40% of its total portfolio. As of July 24, 2020, the stock price is US\$370.46, or 46.1% higher than the US\$253.60 at the bottom of March.

The GOAT (greatest investor of all time) of investing admits missing out on Big Tech's phenomenal run in the most recent bull market. However, the US\$7 billion losses in **Heinz**, **Occidental Petroleum**, and

four large U.S. airlines pale in comparison to the returns from Apple. Also, Berkshire recently bought 33.9 million shares of **Bank of America** to raise its stake to US\$24 billion.

Gaining credibility

For years, Buffett has been avoiding the technology space. His aversion is changing, and perhaps it would be worth his while to check out **Absolute Software** (TSX:ABT) on the TSX. This \$631 million provider of a cloud-based endpoint visibility and control platform is becoming popular with institutional investors.

Absolute Software is slowly gaining credibility in the investment community. Some hedge funds own considerable stakes in the Vancouver-based company. This active investor group sees the value creation potential of Absolute in the short and medium terms.

In terms of stock performance, this tech stock is up 73.3% year to date and outperforms the general market by an overwhelming margin. The S&P/TSX Composite Index is losing by 6.2%. If you're initiating a position, the current share price is \$14.85, with a corresponding dividend of 2.1%.

In the spotlight

Absolute Software should fit nicely into Berkshire's value stocks portfolio. This Canadian tech firm is now the industry benchmark for endpoint resiliency. The endpoint security market is looking at a compound annual growth rate (CAGR) of 5.9% from 2020 to 2027. Its estimated value by then should be around US\$18.6 billion. Absolute Software will undoubtedly be in the spotlight for years to come.

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