



Warren Buffett Has Nearly 50% of His Money in 1 Stock!

Description

Did you know that Warren Buffett has nearly 50% of his money in just one stock?

To be more specific: did you that he has 50% of his publicly traded stock portfolio in just one stock?

Buffett has gone on the record as saying that 99% of his personal fortune is in **Berkshire Hathaway**. However, when people talk about Buffett's investments, they're usually referring to the Berkshire portfolio he controls. And as it happens, 49.33% of *that* money [is invested in one stock](#).

While Buffett only owns 5.6% of this company, its massive market cap makes that position worth over \$100 billion. So, what is this ultra-valuable company, and why does Buffett own so much of it?

Apple

Apple ([NASDAQ:AAPL](#)) is a company that needs no introduction. A massive international manufacturer of smartphones, laptops, and headphones, it's the world's most valuable company. Apple's market cap clocks in at an unbelievable \$2 trillion, which is bigger than any other company on earth by far. **Saudi Aramco** still has the Cupertino company beaten on revenue, but it seems like only a matter of time before Apple wins on that front, too.

So, why does Buffett like Apple so much?

It comes down to three main factors:

1. Brand power: Apple has enormous brand loyalty, with many customers opting to buy Apple products by default regardless of their high prices.
2. Profitability: Apple is enormously profitable, with higher profit margins and returns on equity than other tech companies.
3. Cash flow: Apple generates far more cash per share than it spends.

It all adds up to an ultra-profitable company that has the potential to grow and remain profitable for the

foreseeable future.

A nice chunk of Canadian stocks in the mix

Lately, much discussion of Warren Buffett's portfolio has centered on its massive concentration in Apple. However, that's not the whole story. Berkshire's portfolio contains dozens and dozens of stocks, and despite its heavy weighting, Apple is just one among many.

Among Warren Buffett's favourite stocks, you can even find some Canadian companies.

One of the biggest is **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). In the most recent quarter, Buffett upped his stake in Suncor, which represents 1.3% of his total portfolio. Although Buffett has lost money on this investment, it's not hard to see why he likes it. The company has its own chain of *Petro Canada* stations across Canada, which provides it with a kind of economic moat. As a domestic-oriented energy company, it doesn't have to compete for exports to the United States, which are under pressure from domestic production. Finally, as a [fully integrated](#) energy company, it can capture a lot of profit from each barrel of oil it extracts.

It all adds up to an energy company that has historically been a lot more profitable than average. This year, it's under some strain thanks to April's oil rout. But it may remain a thriving company over the long run.

CATEGORY

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2. Investing
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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:SU (Suncor Energy Inc.)

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