



## The “Big Short” Guy: Don’t Be Like Warren Buffett

### Description

You know Warren Buffett is a legendary investor because even big equity investment firms want to invest like him. Younger investors desire to get into Buffett’s buy-and-hold investing model and be as successful as the man. However, Michael Burry, the “big short” guy, is creating his own [path to success](#).

Buffett is Burry’s inspiration, although he’s not following the footsteps of the GOAT of investing. He’s proving that you don’t have to be like Buffett to be an excellent stock picker.

### Famous subprime trade

Michael Burry is an American physician, but became more popular because of the movie “The Big Short.” The Hollywood flick documents the events leading up to Burry’s contrarian but hugely successful bet against the U.S. real estate market in 2008. Its collapse led to the global financial crisis.

The neurologist was one of the first investors to predict correctly and profit from the subprime mortgage crisis. Burry was a virtual unknown until he made his subprime trade. He founded Scion Asset Management and is now one of the famous fund managers in the investing world.

### Rare birds and robins

Like Buffett, Dr. Burry is a [big-time value investor](#). His weapon of choice when selecting stocks is research. His investment philosophy is somewhat similar to Buffett’s. Burry is particular with the margin of safety and invests in great stocks in disfavored industries. He believes, too, that portfolio management is equally important as picking stocks.

Buffett said, “If you wait for the robins, spring will be over.” The Oracle of Omaha was referring to the market or economy historically recovering from downturns. Burry invests in “rare birds” or assets selling at less than two-thirds of net value.

A company must also show a sustainable competitive advantage and demonstrate long-standing, stable high returns on invested capital. Burry finds value in technology stocks. As of the third quarter of 2020, Scion's stock portfolio is worth US\$440 million. The top holding is **Alphabet** Class C (16.2% of total).

## The next big tech stock

Value investors like Michael Burry should find one of Canada's recent IPOs a promising investment for 2021. **Nuvei** ([TSX: NVEI](#)) debuted on the **TSX** in September 2020 and has performed remarkably well. As of December 18, 2020, the tech stock trades at \$75.01 per share or 189% higher than its initial public offering (IPO) price of \$26.

Nuvei's red-hot IPO was Canada's largest tech offering (\$833 million). The \$10.36 billion company provide payment solutions for mobile and e-commerce clients in online retail and online gambling. After the successful IPO, Nuvei CEO, Philip Fayer, said, "Canada is still a good place to build a business."

Fayer adds, "Canada has tremendous opportunity, and we're seeing so much innovation." He also thinks more people will bring their business online because of COVID-19. The company is on the road to profitability, and management expects a 26% average annual revenue growth over the next couple of years.

## Looking for value

The award-winning movie "The Big Short" made Michael Burry famous. Today, he doesn't care about the stock market's level. He will invest in-large-cap, mid-cap, small-cap, and tech or non-tech stocks as long as he finds value in the companies.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:NVEI (Nuvei Corporation)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
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