



## 3 Times I Think Warren Buffett Was Wrong About an Investment

### Description

Even the world's most successful and popular investor is far from infallible. [Warren Buffett](#) regularly highlights his errors and missed opportunities in his annual letter to shareholders. However, average investors and the media seem to be more focused on his successes, which distorts the investment legend's impact on the financial world.

Here's a look at the top three biggest investment mistakes the Oracle of Omaha ever made and a closer look at his recent bets.

### Top three mistakes

Some of Warren Buffett's biggest and most recent mistakes were in the field of technology. The investment legend added **IBM** to his portfolio in 2011, only to dump the entire stake seven years later. Over the course of Buffett's position, IBM declined over 30%. Meanwhile, the rest of the stock market was surging rapidly. The bet cost him billions in real and opportunity costs.

Buffett's other two errors were also tech related. However, these were errors of omission. He missed out on **Microsoft**, despite being friends with founder Bill Gates for several decades. He also admitted that he was too late to recognize the promise of **Amazon**. "Those just aren't my games," he told a reporter when he finally added Amazon to the portfolio in 2019.

### Warren Buffett's blind spots

It's clear that technology and innovation are blind spots for the legendary value investor. Buffett's strength lies in finding safe bets that others have overlooked — not in paying a premium for a revolutionary shift that is overhyped but eventually lives up to expectations.

For investors, this means Buffett's opinions on tech stocks should be taken with a grain of salt. His recent comments on Bitcoin are a good example. Buffett has called the cryptocurrency worthless. However, the asset has outperformed most other asset classes over the past decade and has survived over 12 years without a major outage or hack.

Canadian investors may want to set Buffett's comments aside and focus on **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)), which offers exposure to this technology. Buffett may admit his mistake many years later, but you shouldn't miss out on handsome gains by then.

Bitcoin's performance has been much better than the rest of the tech sector. Over the past month, the **Nasdaq 100 Index** is down 5%, with some market leaders losing double digits. Bitcoin, however, is flat over the past month and is actually trading close to an all-time high.

As more large corporations and billionaires get involved, the price of this cryptocurrency could stabilize over time. You could add BTC to your portfolio directly, but the Purpose BTC ETF qualifies for your Tax-Free Savings Account. In other words, you could gain multi-bagger returns without tax consequences.

## Bottom line

Warren Buffett's track record and reputation is impeccable. However, he is just as error-prone as any other investor. Buffett's core competency is finding undervalued stocks in sectors he understands deeply. However, he seems to have a blind spot for tech trends.

Over the past two decades, Buffett has missed out every major tech revolution, from smartphones to digital advertising and e-commerce. Now, he seems to be missing out on the Bitcoin revolution. You shouldn't miss out on it too. Consider taking a closer look at the Purpose Bitcoin ETF.

### CATEGORY

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2. Tech Stocks

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1. TSX:BTCC.B (Purpose Bitcoin ETF)

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vraisinghani

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