



## Warren Buffett Advice: 1 Asset You Always Want to Hold

### Description

This past weekend Warren Buffett hosted his annual shareholder's meeting for his massive holding company, **Berkshire Hathaway**.

For years this has been one of the best opportunities to hear Buffett speak his mind and answer questions. And while he usually comments on the current market environment, there are always tidbits of timeless advice that should stick in the back of investors' minds.

Between [Buffett](#) answering questions at these meetings to the letters to shareholders he writes in the company's annual report, there is no better chance to get advice and insight into how he sees the investing landscape.

And while there was a lot to unpack from this past weekend, one piece of Warren Buffett's advice investors should never forget is the importance of having an adequate cash position.

## How much cash does Warren Buffett's company hold?

Not only do investors like to hear Warren Buffett's comments on the state of financial markets, but they also like to watch what he's doing and what stocks he's buying. So for years, investors have noticed as Berkshire's cash pile has grown substantially.

Buffett's business is a cash cow, so unless he is consistently finding new investments to recycle that capital, his cash pile will grow.

The problem is, right now, it's understandably hard to find stocks that are [undervalued](#). In recent years, he has begun to buy back his own stock. However, it's notable that he hasn't made any massive purchases recently.

Today Warren Buffett's company has over US\$140 billion of cash or cash equivalents on its balance sheet.

## What does this mean for investors?

Having cash is important, but it also has its disadvantages. Cash is important because it's the number one asset that will protect you and your portfolio from a [market pullback](#).

This usually happens when the market has been frothy for a while, and it's tough to find a worthwhile discount in stocks.

However, as important as it is, it's not a great asset to hold forever. Cash is inherently always losing value to inflation. So while it's important to hold some cash, too much of it is an issue.

Now that most stocks have recovered from the pandemic, it's going to be much harder to find value. For investors, it's all about finding stocks to buy for the long term.

This is also a great time to build the cash position of your portfolio, similar to what Warren Buffett's been doing recently. As stocks get more expensive, you may consider increasing the cash portion of your portfolio from 5% to 10%.

That way, if another market correction materializes like early last year, you'll be ready to take advantage.

## What if you already have a sizeable cash position?

If you already do have a hefty cash position, you can't wait forever to buy stocks. Even Warren Buffett knows this, which is why he has been buying back his own stock to increase shareholder value.

For Canadian investors, though, one stock that looks particularly attractive for long-term investors today is **B2Gold Corp** ([TSX:BTO](#))([NYSEMKT:BTG](#)).

While almost every sector has rallied and recovered over the last year, [gold stocks](#) have sold off. The gold sector was one of the first to rally after last year's market correction. Gold is seen as a safe haven, so it was unsurprising to see it rally throughout last year.

However, as the economy has recovered, gold has fallen out of favour, and stocks like B2Gold now offer exceptional value.

Several gold stocks are worth a buy, but B2Gold is a top choice because it's one of the best in the industry. Not only does it have low cost operations, but the company is a cash cow. Plus, it has a tremendous track record of growth and execution.

It has begun to rally lately, along with gold prices. However, there is still plenty of upside for investors who take a position today.

So while I would always pay attention to what Warren Buffett is doing, and ensure you have a solid cash position, if you have a lot of cash and are looking for top stocks to buy, B2Gold is a top choice today.

## CATEGORY

1. Investing
2. Metals and Mining Stocks

## TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BTO (B2Gold Corp.)

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