



## Warren Buffett's 3 Open Secrets That Could Make You a Billionaire

### Description

Warren Buffett is one of the best investors in the world alive today. His investment advice often plays a crucial role in guiding many new investors and encourage them to invest in fundamentally strong companies for the long term. At the same time, his investment lessons help new investors avoid making big mistakes.

Buffett recently opened up about this advice to new investors that I consider to be his three big secrets that are open for all to learn from.

### Warren Buffett's first open secret

It's well known in the investors' community that Buffett doesn't buy stocks for the short term. Investing in fundamentally strong companies for the long-term is one of the key reasons for his success. That's the reason why **Berkshire Hathaway's** chief has criticized inexperienced day traders and short-term investors on many occasions.

During Berkshire Hathaway's latest annual shareholders' meeting earlier this month, Buffett [gave](#) some examples for "...new entrants to the stock market to ponder just a bit before they try and do 30 or 40 trades a day in order to profit from what looks like a very easy game."

To support his argument, Buffett showed a list of top 20 companies from the year 1989 and showed how none of these top companies from 30 years ago are on the top today.

In another example, he said there were at least 2000 companies that entered the auto business because it clearly had this incredible future." The next day, the Oracle of Omaha said, "In 2009, there were three left, two of which went bankrupt." With this, he appeared to warn new investors that choosing the right stocks to buy is "not as easy as it sounds." And this could be one of his best pieces of advice to new market entrants.

## Warren Buffett's two more open secrets

Buffett is mainly a value investor who never tries to justify his mistakes. Instead, he — on many occasions — has publicly accepted his investing mistakes. The 90-year old legendary investor always keeps on adjusting his investment strategy because he believes that “The world can change in very, very dramatic ways.”

I know many investors who keep on justifying their mistakes and refuse to adjust their investment strategy with changing market dynamics — unlike Buffett. Following Buffett's advice could save such new market entrants a lot of money. That's why I include it in the list of his three best secrets.

Buffett's other important advice to new investors could be his argument about investing in a diversified group of equities and holding them for the long term. A few years ago, in an interview with CNBC, he made a similar argument, [saying](#), “You want to spread the risk as far as the specific companies you're in by owning a diversified group.”

## Invest like Buffett

Observing the new market trends in 2021, I find the shares of Canadian tech companies like **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) to be worth buying right now. Both of these companies mainly focus on helping businesses build their online presence conveniently and securely.

While Lightspeed stock rose by 149% last year, Shopify stock yielded solid 178% positive returns. Despite consistently beating analysts' consensus sales estimates in the last many quarters, the shares of these two tech companies have witnessed a [downside correction](#) lately. The shares of Lightspeed and Shopify have lost 11.2% and 7.3% in May so far.

Investors — especially those who don't have much exposure to the tech industry — now have an opportunity to buy these great stocks cheap for the long-term in May to diversify their portfolio. Diversifying your investment portfolio is a great way to reduce your risks, as suggested by Buffett. While you can't expect to be rich overnight by following his pieces of advice but investing in good stocks carefully could help you make millions or even billions of dollars in the long run.

### CATEGORY

1. Investing
2. Stocks for Beginners
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### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

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jparashar

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