



4 Key Lessons From Warren Buffett's 2021 Shareholder Meeting

Description

Only 20 people were in attendance during **Berkshire Hathaway's** shareholders' meeting in 1979. Its chief, Warren Buffett, has since developed a cult-like following. He is now the Dalai Lama to long-time investors. Thousands eagerly await the yearly event. The meeting on May 1, 2021, was a livestream-only event again due to COVID-19.

Nevertheless, the second online version did not differ from previous shareholders' meetings. Buffett imparted lessons that could help transform the financial lives of many. People are anxious to hear his advice or [investing tips](#) on the current investment landscape.

1. Investing is not an easy way to make a fortune

The GOAT of investing said, "I just want to tell you that it's not as easy as it sounds." He added, "I would like particularly new entrants to the stock market to ponder just a bit before they try and make 30 or 40 trades a day to profit from what looks like a very easy game."

2. It's tough to pick long-term winners

Buffett invests for the long term. He believes you have better chances of maximizing returns through a long-term investment strategy. However, he said that it could be tough to pick long-term winners. The Oracle of Omaha said, "There's a lot more to picking stocks than figuring out what will be an incredible industry in the future."

3. The stock market is not a casino

The Berkshire chief advised against gambling on stocks. Buffett was referring to the **GameStop** drama recently. Stock trading platforms like Robinhood allow people to buy and sell stocks for free. It only encourages gambling. The new army of young retail investors drove up the value of the floundering video game retailer.

4. Consider a low-cost index fund

Instead of individual stocks, Buffett suggested investing in a low-cost index fund like the **S&P 500 Index Fund**. His targets with this advice are average investors. He elaborated by saying a diversified index fund best serves new investors who are trying to pick stocks.

Significant financial progress

Buffett admitted he was fearful when the economy tumbled due to the global pandemic. Berkshire should have used its large cash hoard to work when the market bottomed. His company had [two quality TSX stocks](#) pre-coronavirus, but it dumped **Restaurant Brands International** in Q1 2020 and retained **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)).

Berkshire kept the Canadian energy stock, despite a 48% loss last year and a 55% cut in dividends. The shares of the \$34.32 billion oil sands king, however, are up 38% year to date. At \$22.99 per share, the dividend yield is 2.98%.

Market analysts forecast the price to climb potentially between \$47.83 (+108%) and \$59.98 (+161%) in the next 12 months. Their optimism stems from Suncor's financial progress in Q1 2021. Management reported \$821 million in net earnings for the quarter versus the \$3.5 billion net loss in Q1 2020.

Also, it generated \$2.1 billion in funds from operation. The figure far exceeds all of its capital expenditures and dividend commitments in Q1 2021. I suppose the impressive results are proof that Suncor is a value stock in Buffett's eyes.

High praise for the government

Warren Buffett praised the Federal Reserve's policies and U.S. Congress's stimulus packages during the pandemic. They've done a tremendous job of stabilizing the economy and keeping interest rates low. He said the government clearly learned its lessons from the 2009 Great Recession.

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