



Over 75% of Warren Buffett's Stock Portfolio Is in These 3 Sectors!

Description

Warren Buffett is widely regarded as the greatest investor of all time. His track record over multiple decades speaks for itself, and the advice he offers investors is priceless.

In addition to all this useful advice he offers, though, another way that investors learn from Warren Buffett is by following the stocks he's buying and selling.

And, of course, if you're going to watch the stocks he is buying and selling, it's also worth paying attention to the industries that [Buffett](#) is investing in.

A great company in a maturing industry will never be a good long-term investment. Conversely, a great industry but a mediocre company also won't be ideal either. It's crucial investors find both: a high-quality company in an industry that's either growing or at the very least a staple of the economy.

With that in mind, here are three sectors that make up more than 75% of **Berkshire Hathaway** (NYSE:BRK.A)(NYSE:BRK.B), Warren Buffett's company's portfolio.

Keep in mind, Berkshire Hathaway also has wholly owned companies in its portfolio, but these are just from his company's ownership of public equities.

Warren Buffett owns high-quality consumer staples

First off is [consumer staples](#) — a great industry, because these are crucial products that consumers are repeatedly buying.

Coca-Cola is a stock Buffett has owned for decades, and by his comments over the years, it seems like he may never sell the stock. He owns nearly a 10% stake in a company with one of the best-known brands worldwide that consistently finds ways to grow and stay dominant.

His other major holding in a consumer staple is **Kraft Heinz**. Although he has admitted after the fact that he overpaid for the investment, it doesn't mean the company itself isn't a great business and a

great example of the type of companies to look to buy as an investment.

Kraft Heinz sells everything from ketchup to cheese. A massive dominant company like this that's selling items that consumers will buy until the end of time is exactly the kind of company you want to own long term.

Warren Buffett owns several financial stocks

Another major industry Warren Buffett has always been heavily invested in since he began to buy GEICO stock back in 1951 is financials. He now owns the company outright but continues to own several other financial stocks, including banks, credit card companies, and even financial rating agencies.

In Canada, financials are also a top industry to invest in. Not only are Canadian bank stocks some great long-term investments, but even a specialty finance company like **Brookfield Asset Management**, which has gained more than 400% over the last 10 years, is worth a long-term investment.

Tech stocks

Lastly is tech. While Warren Buffett owns a few tech stocks, the one worth mentioning is **Apple**. Apple alone makes up more than a third of Berkshire Hathaway's US\$300 billion portfolio.

Obviously, Apple is a dominant company, but what this says to me is that if you find a high-quality stock with superior long-term growth potential, it's worth an investment.

Tech is a big industry, though. The key is not necessarily to find a [tech stock](#), but to find one that dominates its industry as much as Apple does.

A perfect Canadian stock to consider is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Shopify is a tech stock. However, its business is not related to Apple's.

Shopify is a top stock in an e-commerce industry that has years of growth potential — exactly the type of company Warren Buffett looks for.

We've already seen how fast the industry can grow up until now. Today, though, with better economies of scale and more expertise from these high-quality companies like Shopify, there are major prospects for growth over the coming years.

Plus, the stock has been cheap for a few months, selling off from its all-time high just below \$2,000 a share. It's only a matter of time before it recovers, though, and eventually grows past that \$2,000 share price.

Bottom line

If you want to invest like Warren Buffett, you have to buy the very best companies in growing industries that will be around for decades. These are just a few examples of some of the top businesses that the

Oracle of Omaha has picked.

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Date

2025/07/19

Date Created

2021/05/31

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