



## How To Beat Warren Buffett At His Own Game

### Description

Warren Buffett is arguably the G.O.A.T. of investing. Whether he's picking value stocks on Wall Street or managing one of the most successful holding companies in the world, Buffett undoubtedly has the Midas touch, turning whatever he handles into profits.

That said, Buffett has made his fair share of mistakes. While you might have less experience than him, that doesn't mean you can't beat the Oracle of Omaha at his own game—stock investing. If you're up for the challenge, here are a few tips that might help you outsmart Warren Buffett.

### 1. Invest in growth stocks

Warren Buffett is a renowned [value investor](#), meaning he scouts the market in search of stocks that trade below what they're actually worth. When Buffett finds a "deal," he buys shares in the hopes that the market will eventually recognize the stock's true worth. If it does, the stock's value will rise, giving Buffett a hefty gain.

But value investing isn't the only strategy you can employ. Another strategy, one that could help you beat Buffett's portfolio, is [growth stock investing](#).

As a growth stock investor, you look for companies that have the potential to become highly profitable over time. These companies might be [micro-caps](#) or [small-caps](#). Or they could be mid-caps who are firmly on the path to large-cap size. Whatever their market capitalization, the best growth stocks have the potential to expand even further, taking their stock values to heights investors can only dream of.

For some perspective, Warren Buffett is notorious for passing up **Amazon** and **Alphabet** when they were growth stocks trading far below their current value. His decision wasn't based on any negative perception of these companies: he simply didn't understand them.

That's important to note. If you're going to be a successful growth stock investor, you have to be an astute researcher first. You have to pay attention to cultural trends, identify companies with strong competitive advantages, and dive into niche markets. Your decision is ultimately speculative: you're

buying stocks based on how you believe they'll perform in the future, not necessarily how they're performing now.

Guess right, and you might find yourself beating Buffett at his game.

## 2. Buy international stocks

Buffett is a notorious homebody. He buys mostly domestic stocks, with very little international exposure.

If you want a significant leg-up on Buffett, then, you could invest in [international stocks](#). International stocks give you exposure to growing international markets (like China, Brazil, and India), as well minimize market risks, should a market correction affect Canadian stocks more so than other economies.

You could even buy shares in an international-focused [ETF](#). This will give you exposure to international stocks, without requiring you to handpick them yourself.

Of course, Buffett's favourite companies are international to us. But if you can diversify your portfolio with companies that aren't based in North America, you might be able to beat Buffett.

## 3. Take advantage of time

Right now, Warren Buffett is 91 years old. Unless you're also in your 90s, it's safe to say—you have more time to invest than Buffett.

Depending on your age, you could have 30, 40, even 50 years of investing ahead of you. That's a lot of time, true, but when it comes to investing, that's *just enough* time to beat Buffett.

The trick is to start as soon as you can. Then, once you've bought your first stocks, don't stop: compound interest works best when you invest consistently over a long period of time. Even \$500 a month can grow into a substantial sum if you invest for 40 years or more.

## Can you beat Warren Buffett at stocks?

If you're going to beat Warren Buffett at his own game, you'll need a brokerage account that can handle the heat. Take a moment to scan some of [Canada's top brokerage accounts](#) to see if you can find one that offers you lower trading commissions and more in-depth stock analyses. Trust me—to outsmart the G.O.A.T, you'll need all the investing resources you can get.

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sporrello

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