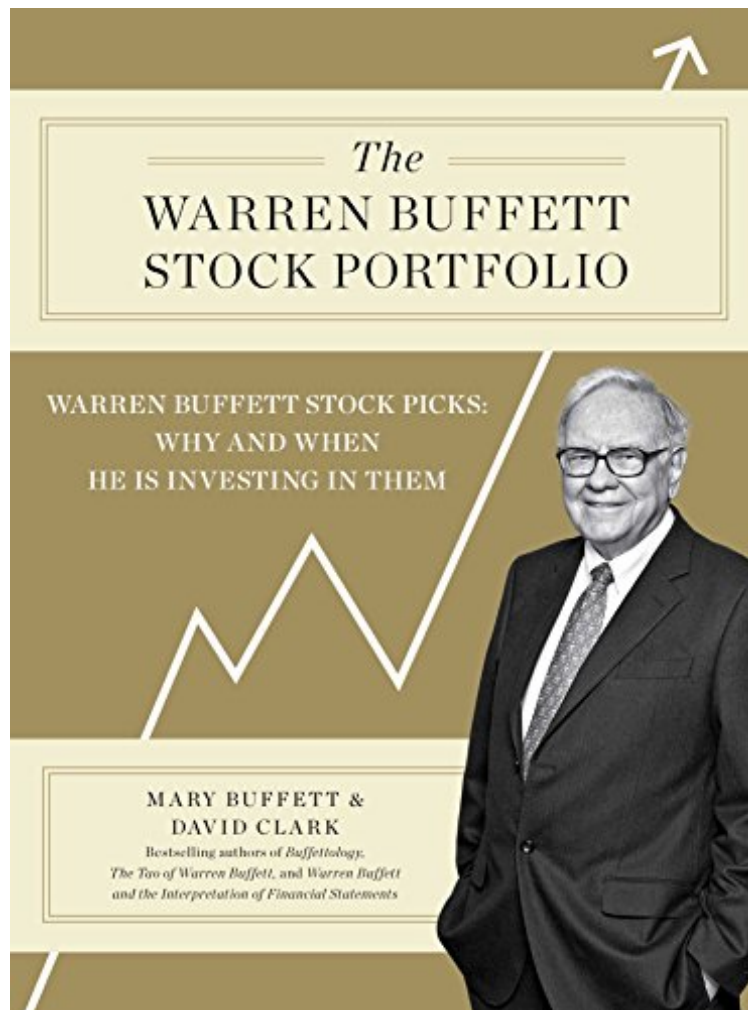


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The Warren Buffett Stock Portfolio: Warren Buffett Stock Picks: Why and When He Is Investing in Them

Mary Buffett, David Clark

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9 of 9 people found the following review helpful. The Golden OpportunityBy ReadtoawakeIn the recession of 2008-2009, when stock market was falling and most people were selling their stocks, the all-time greatest investor was buying stocks. According to the Warren Buffet, the best time to buy stocks is when nobody wants to buy them. Warren looks at the bear market as the opportunity to buy great businesses at bargain prices. In the bull market, when almost all stock market investors buy stocks, he sells his worst-performing stocks at good prices and waits for the bear market

to add more money in his well-performing stocks. Why You Should Read This Book? 1. You should read this book to know when Warren buys his stocks and how he chooses these stocks. What qualities he looks in the stocks before buying them. In this book, you will find additional information about the 17 companies that Warren Buffett has identified as the best stocks for the long-term. 2. You would learn that Warren Buffett's key to success is that he knows how to identify strong stocks and he does not buy these stocks in the bull market. Instead he sells some stocks in the bull market. Then he waits to take full advantage of the inevitable crash of the stock market that occurs every 5-6 years. 3. In the market crash, the stock prices of the strong companies also fall down, this is the time when Warren steps in and buys these stocks at bargain prices. Then he holds these stocks for 3-4 years before seeing any major profit. As the economy starts to improve, the stock prices of these strong companies increase more quickly than other stocks. 4. In 2008-09 the stock prices of strong companies were selling at the lowest price-to-earning ratios since the eighties. Would you like to know about some of these strong stocks that Warren Buffett is buying for his personal portfolio and for Berkshire Hathaway? 5. After reading this book, you would know more about how to choose good stocks? What are the characteristics of good companies? How to value these companies given their current market price? Using this information, you will surely be able to find attractive investments and make money in the stock market. Best of Luck!

0 of 0 people found the following review helpful. Five Stars By Alex Gasparini I'm fully satisfied. 0 of 0 people found the following review helpful. liked it By SkeeD Despite some bad reviews of Mary Buffett's books, if you read this one, along with Buffettology or the new one and her interpretation of financial statements. All of which are similar but have a few small different key details in each they make sense. If you want to you can compare these to what is said in the snowball if you are unsure. I know all this sounds to simple for many, but this is aiming for 10%-15% average annual returns, not to get rich quick. It took Buffett quite a while and what Mary is explaining is not how Buffett started with cigar butts but how he picks stocks now.

Bestselling authors Mary Buffett and David Clark examine seventeen companies that Warren Buffett has bought for himself and for his holding company, Berkshire Hathaway, as durable investments and explain why these companies are once again selling at prices that offer great long-term growth prospects. Warren Buffett has always believed that the time to buy stocks is when nobody else wants them. As we enter the fifth year of what many economists are calling the Great Recession, we find that some of the most amazing businesses—those with a durable competitive advantage—are trading at prices and price-to-earnings ratios that offer investors serious long-term moneymaking opportunities. Pessimism about the banking situation in Europe and unemployment in America have created the perfect storm to bring stock prices down and present value-oriented investors some great possibilities. In Warren Buffett's world, as stock prices decrease, the prospects for investment increase. Putting a number on those prospects tells Warren whether or not the stock is an attractive buy. The Warren Buffett Stock Portfolio explains how to do just that—how to value companies and conservatively estimate the kind of future return that an investment is offering at its current market price. Mary Buffett and David Clark look at stocks in Warren's portfolio as the basis for their analysis. After a brief history of Warren's investment strategy, Buffett and Clark explain how to interpret a company's per-share earnings and per-share book-value histories to quickly identify which companies have a durable competitive advantage and to project the compounding annual rate of return that an investment offers. The authors provide case studies and evaluations of seventeen companies in Warren Buffett's portfolio. The Warren Buffett Stock Portfolio is a valuable companion to the other books in Buffett and Clark's successful series—Buffettology, The Buffettology Workbook, The New Buffettology, The Tao of Warren Buffett, Warren Buffett and the Interpretation of Financial Statements, Warren Buffett's Management Secrets, and Warren Buffett and the Art of Stock Arbitrage.

About the Author Mary Buffett For over twenty years, Mary Buffett has been considered a leading authority on the subject of Warren Buffett's investment methods. Her international bestselling investment books, co-authored with David Clark—Buffettology, The Buffettology Workbook, The New Buffettology, The Tao of Warren Buffett, Warren Buffett and the Interpretation of Financial Statements, The Management Secrets of Warren Buffett, Warren Buffett and The Art of Stock Arbitrage, and The Warren Buffett Stock Portfolio—have been translated into twenty-four foreign languages and are considered "investment classics" the world over. Ms. Buffett is an international speaker, entrepreneur, political and environmental activist, and has appeared on television as one of the top finance experts worldwide. She has been the principal speaker for prestigious organizations around the world. Ms. Buffett has worked in a wide range of businesses including extensive work as a consultant to several Fortune 500 companies. She is an associate of the top ranked UK Buffettology Fund in the United Kingdom. In 2013 she became a contributing blogger to the Huffington Post. The blogs and information about the UK Buffettology Fund are on her website MaryBuffett.com. David Clark For over twenty years, David Clark has been considered the world's leading authority on the subject of Warren Buffett's investment methods. His international bestselling investment books, co-authored with Mary Buffett—Buffettology, The Buffettology Workbook, The New Buffettology, The Tao of Warren Buffett, Warren Buffett and the Interpretation of Financial Statements, The Management Secrets of

Warren Buffett, Warren Buffett and The Art of Stock Arbitrage, and The Warren Buffett Stock Portfolio; have been translated into more than twenty foreign languages and are considered "investment classics" the world over. He holds a B.S. degree in finance and a law degree from the University of California, Hastings College of the Law. He is presently writing Berkshire Hathaway: Fortress of Capital, a corporate biography. When not consumed with matters of finance, he is engaged in the second great passion of his life, which is trial law and maintains an active national practice. Excerpt. copy; Reprinted by permission. All rights reserved.

INTRODUCTION In these very turbulent times we think it is best to start with a quote from Warren Buffett during the 1990-1991 recession: Nevertheless, fears of a California real estate disaster similar to that experienced in New England caused the price of Wells Fargo stock to fall almost 50% within a few months during 1990. Even though we had bought some shares at the prices prevailing before the fall, we welcomed the decline because it allowed us to pick up many more shares at the new panic prices. Investors who expect to be ongoing buyers of investments throughout their lifetimes should adopt a similar attitude toward market fluctuations; instead many illogically become euphoric when stock prices rise and unhappy when they fall. Warren has always maintained that the time to buy stocks is when nobody else wants them. In the recession of 2008-2009 we had that opportunity, and for those of us who did venture into that abyss, the rewards were tremendous. As we look toward the end of 2011 and the beginning of 2012, we are once again seeing stock prices at price-to-earnings-ratios that we haven't seen since the early eighties. Coca-Cola is trading at 16 times earnings; in 1999 it was trading at 47 times earnings. The powerhouse Wal-Mart is trading at a P/E of 12; in 2001 it was trading at a P/E of 38. Procter Gamble is selling at a P/E of 16; in 2000 it was trading at a P/E of 29. What does this mean? As we enter the fifth year of what many economists are calling the Great Recession, we are finding that some of the most amazing businesses; those with fantastic long-term economics working in their favor; are trading at prices and price-to-earnings ratios that offer investors real opportunities for increasing their wealth. We aren't talking about opportunities for quick profit. We are talking about serious long-term moneymaking with ten-year compounding annual rates of return conservatively in the 8%-12% range. That is what the market is now offering us. Pessimism about the banking situation in Europe and the unemployment in the United States have created the perfect storm to bring stock prices down and offer value-oriented investors some great opportunities. In our book Warren Buffett and the Interpretation of Financial Statements we focused on examining a company's financial statements to discover whether or not it has what Warren calls a "durable competitive advantage," which shows us if a company has great long-term economics working in its favor. In this book, we are looking only at companies that Warren has already identified as having a durable competitive advantage. These are the companies that he has bought for himself and for his holding company, Berkshire Hathaway, as long-term investments. Because of the recession, these companies are once again selling at prices that offer great long-term growth prospects. Our primary concern is with teaching you how to value companies so you can create a conservative projection as to the kind of future return that an investment offers at its current market price. In Warren's world, as stock prices decrease, the prospects for the investment increase. Putting a number on those prospects tells us whether or not the stock is an attractive buy. We start with a brief history of Warren's investment strategy and then explain how to interpret a company's per share earnings and per share book value histories. This allows us to quickly identify a company with a durable competitive advantage and to project the compounding annual rate of return the investment offers. We then look closely at seventeen investments in Warren's current stock portfolio, working up a case study and valuation for each company. We also take a quick look at the investments made by Berkshire's other three investment managers. Historically, we have reason to believe that our projections ten years out are accurate under normal business conditions. Throughout this book, we have kept the projections conservative. When you are done with this book you should be able to quickly determine whether a company has a durable competitive advantage and whether or not the company's stock is attractively priced. Presently there are four people at Berkshire Hathaway who are "picking stocks" for Berkshire's portfolio. On top is Warren Buffett, who makes 99% of the investment decisions for Berkshire. Then there is Charlie Munger, who often discusses investments with Warren and whose enthusiasm has put Berkshire into a few out-of-the-box investments. There are also newcomers Todd Combs, whom Warren hired in 2010 to help him pick stocks for Berkshire, and Ted Weschler, who will officially join Berkshire in early 2012 as a portfolio manager. The major portion of this book is concerned only with the companies that Warren Buffett has invested in personally and/or made the decision for Berkshire to invest in. At the end of the book, for those who are curious, we take a brief look at Charlie Mungers, Todd Combs, and Ted Weschlerr's respective investment styles and the contributions they have made to Berkshire's portfolio. So, without any more delay, let's begin our exploration into Warren Buffetts Stock Portfolio. MARY BUFFETT DAVID CLARK copy; 2011 Mary Buffett