

# THE WARREN BUFFETT STOCK PORTFOLIO

## WARREN BUFFETT STOCK PICKS: WHY AND WHEN HE IS INVESTING IN THEM

**MARY BUFFETT and DAVID CLARK**

**MARY BUFFETT** is a public speaker, entrepreneur, political activist and environmental activist. She appears regularly on television as a finance expert and has been a consultant to several Fortune 500 companies. She and David Gates are the coauthors of eight books on Warren Buffett's investment methods including *Buffettology*, *Warren Buffett's Management Secrets* and *Warren Buffett and the Interpretation of Financial Statements*. Mary Buffett was married to Warren Buffett's son Peter for twelve years.

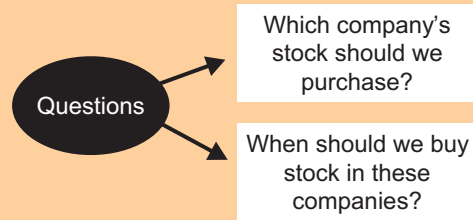
**DAVID CLARK** was a founding member of a small group of Berkshire shareholders who studied Warren Buffett's investment methodologies in the early days of Berkshire's stellar rise. He lives in Omaha, Nebraska and is an acknowledged expert on the subject. He is a graduate of the University of Nebraska and the University of California Hastings College of Law.

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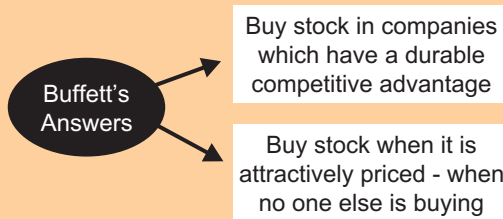
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**MAIN IDEA**

To succeed as a stock market investor, there are really only two questions you need to answer:



Warren Buffett is the world's most successful stock investor. His answers to these questions are:



Fortunately for us, Warren Buffett has already identified at least 17 stocks which have met the first criteria in the purchases he has made for Berkshire Hathaway. To excel in being a stock market investor, concentrate on getting the answer to that second question right.

*"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."*

– Mary Buffett and David Clark

**Section 1 – A bird's eye view of Warren Buffett's investment strategy. . . . . Pages 2 - 4**

Understanding Warren Buffett's investment strategy really isn't all that difficult. The hard part is in applying it because it goes against what 99% of investors do. Furthermore, Buffett's investment strategy has changed and evolved over the years. In a nutshell, the Warren Buffett investment strategy really has just five key elements:

- |                                        |   |   |                                               |
|----------------------------------------|---|---|-----------------------------------------------|
| The Warren Buffett Investment Strategy | ▶ | 1 | Have cash when others don't                   |
|                                        | ▶ | 2 | Invest only in stocks with long track records |
|                                        | ▶ | 3 | Look for consistency and growth in earnings   |
|                                        | ▶ | 4 | Treat investments like "equity bonds"         |
|                                        | ▶ | 5 | Look for customer monopolies                  |

**Section 2 – The Warren Buffett Portfolio . . . . . Pages 5 - 8**

Berkshire Hathaway has already invested in at least seventeen companies which meet Warren Buffett's criteria. For the smaller investor, these companies answers the WHAT to invest in question. The only remaining question is WHEN to invest and that too can be figured out by watching what Warren Buffet does for each.

The Warren Buffett Investment Portfolio	
<ul style="list-style-type: none"> <li>■ American Express Company</li> <li>■ The Bank of New York Mellon (BNY Mellon)</li> <li>■ Coca-Cola Company</li> <li>■ ConocoPhillips</li> <li>■ Costco Wholesale Corporation</li> <li>■ GlaxoSmithKline</li> <li>■ Johnson &amp; Johnson</li> <li>■ Kraft Foods, Inc.</li> <li>■ Moody's Corporation</li> </ul>	<ul style="list-style-type: none"> <li>■ Procter &amp; Gamble Company</li> <li>■ Sanofi S.A.</li> <li>■ Torchmark Corporation</li> <li>■ Union Pacific Corporation</li> <li>■ U.S. Bancorp</li> <li>■ Wal-Mart Stores, Inc.</li> <li>■ Washington Post Company</li> <li>■ Wells Fargo &amp; Company</li> </ul>

