

9 'unwritten' principles of Warren Buffett

Don't try to shine. Be yourself and do what you like - Warren Buffett.

Warren Buffett is considered an "investment legend" on the stock market, and is also a philosopher with many inspirational quotes for millions of people. His views on investment are simple, easy to remember and not difficult to apply.

In the annual letter sent to the shareholders of Berkshire Hathaway, Warren Buffett said that if you want to know how to make money from the stock market, look at how he makes money from two small investments in real estate. product. Although that event happened a few dozen years ago and did not change much of his assets, they were of great significance.

That was the time he bought a farm in Bebraska (1986) and invested in a rental building near New York University (1993). In two cases, he bought when the price dropped suddenly after the boom period and both were in the field where Buffett was not fluent. In addition, the most important thing here is because he believes that they will be increasingly profitable, not want to sell them at a higher price.

Buffett does not understand how to operate a farm. But he has a son who likes to grow crops. As a result, he calculated how much corn and soybeans they could produce each year at what cost, and then recounted the annual profits earned by the farm. "Investment myth" believes that productivity will improve over time and the price of agricultural products also increases. Sometimes, there may be losses but surely, after those dark days, there are good harvests. Buffett had never intended to sell this place and about 28 years later, the value of the farm was increased by five and the annual profit was three times higher than before.



Meanwhile, the building he and a group of friends contributed to the investment is also expected to generate profits when the number of tenants increases rapidly. All thanks to the prime location - right next to New York

University and this school will not be moved anywhere.

When sharing about these two events, Buffett said that *"in those two deals, I just thought that the lost assets would give me something, not care about their daily prices. The winners is the person who focuses on the game and not the eye on the results table "*.

When buying these properties in 1986 and 1993, economic forecasts had little effect on his decision. *"I don't even remember what headlines or experts say at the time. Because, no matter what people say, the throne is still planted in Nebraska and students are still rushing to New York University."*

Since then, Buffett advises new investors or is afraid to risk that stocks should not be bought *"that are too bright"* and not *"disillusioned when prices fall"*. According to him, *"the solution now is to stock up for a long time, not to sell when there is bad news and prices leave the peak"*.

The investment billionaire also warned that *"too much attention to erratic behavior and lack of logic"* of stocks would make investors *"behave inaccurately"*. In addition, he said that *"relying on macro judgments or listening to other people's market expectations is a waste of time . Ignore people to say, keep costs to a minimum. and invest in stocks like farms "*.

To find an effective investment method, perhaps, it will take a long time, not to mention losing money and effort. However, if you take the time to learn the experiences and the door of the wise teachers, those "costs" will be greatly reduced. That's why, with the "investment myth" Warren Buffett, Benjamin Graham is always "the hero".

And we can now learn about the famous investment principles of the "Omaha prophet" Warren Buffett and consult his experiences to learn some lessons that suit him.



1. "At first, everything is very cheap. So encourage your children to invest as soon as they know the value of money."

Buffett started playing stocks from the age of 11 and now he regrets having had a start too late.

2. "Anyone can buy very small things from very small savings. Encourage your child to get acquainted with some business since he was in school."

At the age of 14, Buffett bought a small farm thanks to his savings from newspaper delivery.

3. "Don't buy anything that exceeds your real needs. Be an example for your child to think and act like that."

Currently, Buffett still lives in a small three-bedroom home, without walls or fences in downtown Omaha. This house was bought by Buffett 50 years ago when he married his first wife Susan Thompson. "Investment myth" said he found everything he needed in that small house.

4. "Be yourself, don't try to turn yourself into another person".

Buffett drove himself everywhere, he didn't have a private driver or bodyguard.

5. "If you want to get rich, consider and calculate as a true economist in everything."

Despite owning the world's largest aircraft manufacturing company, Buffett never traveled by private plane.

6. "To succeed, just deliver the right person."

Buffett's Berkshire Hathaway Group owns 63 different subsidiaries. Every year, he just wrote a letter to contact the directors of these 63 companies to plan the target for next year. He never convened directing meetings or phone calls as president of other large corporations.

7. "Set goals and make sure everything is focused on that goal".

Two "standard" principles in Warren Buffett's business:

1. **Principle 1:** Never lose money from shareholders.
2. **Principle 2:** Always remember principle 1.

8. "Don't try to shine. Be yourself and do what you like".

Buffett does not like to join parties and socialize with the elite. After work, he often drove home, watched television and ate . popcorn.

9. "Don't take money to send credit. What you need to do is take them to invest to earn profits."

Money does not create people, but people create money. Be simple and always be yourself.

Always listen, not follow what others say. Don't waste money on unnecessary things, use money most effectively.

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