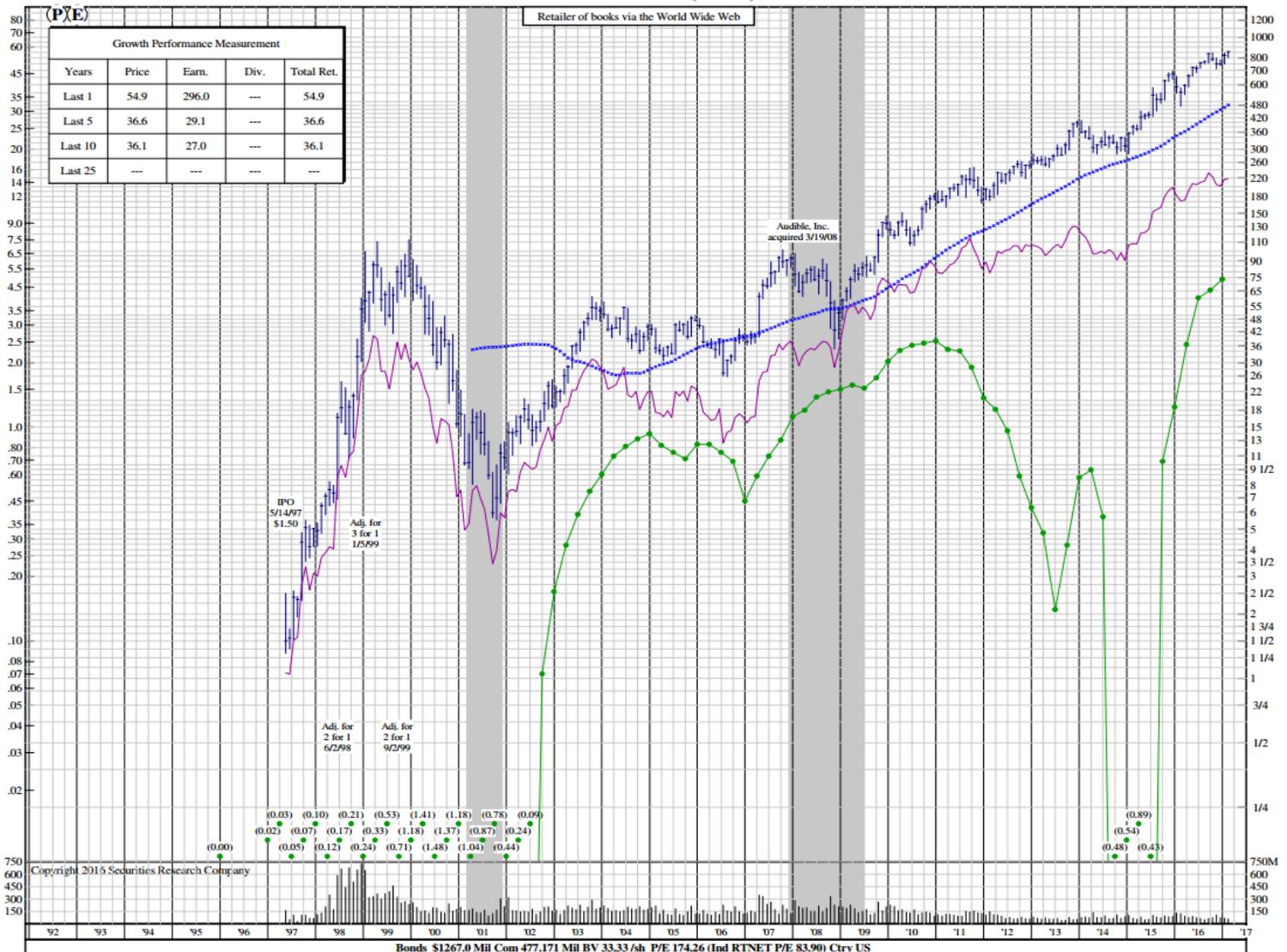


Was Buffett Right in Selling Walmart?

This time last year Warren Buffett's company, Berkshire Hathaway, owned over \$3 billion in Walmart (WMT) stock. In 2014, WMT was one of Mr. Buffett's top 5 equity holdings. Now, Buffett owns under a [\\$100 million](#) of the stock. It appears his lack of interest in the stock is twofold. WMT's stock price has trailed the S&P 500 by 14%, and Berkshire Hathaway by 18%; WMT has been a drag on Berkshire's 12 month performance. Also, Mr. Buffett appears to be concerned that the pace and scope of [Amazon's](#) (AMZN) disruption to the retail sector is a might force. AMZN reported a 27% increase in annual sales and generated \$16.4 billion in operating cash flow, sending its stock price to record highs. AMZN is a behemoth whose growth feels viral.

WMT is thought of as a brick and mortar retailer whose time has passed. To some, WMT is perceived as a darling of the past, but a dog of the future. Value investing isn't for everyone, but it was foremost in Mr. Buffett's strategy to build his financial empire. Sears, Dillard's, Macy's, JC Penney and other major department stores have witnessed their share prices fall into a bear market. WMT is up 11% over the past year. WMT's stock price is up 4.44% over the past week and 8.1% in February. [Walmart](#) posted strong financial results for the quarter with e-commerce growth of 27% and operating cash flow of \$31.5 billion. WMT has been aggressively making acquisitions in the ecommerce space both domestically and internationally. Amazon is a retail evolutionary, media power, and tech innovator. It sports a current [market-cap](#) of \$405 billion with a 173x trailing p/e ratio. Walmart is yesterday's retail swan song. It is currently valued at \$220 billion and trades at 16x times its reported earnings. WMT pays a 2.86% dividend that has risen 44 consecutive years. I own both.

AMAZON COM INC (AMZN)



WAL-MART STORES INC (WMT)

