

Copy the Wealth-Building Strategies of the Super Rich: Buy Canadian Natural Resources Limited, Brookfield Asset Management Inc., and Canadian Utilities Limited

Description

Many investors feel like they are at a disadvantage to high net worth individuals who have money managers and hedge funds at their fingertips. But the fact of the matter is, no matter what your net worth, you can access the same information when it comes to picking stocks.

The factor that often differentiates high versus low net worth investors is that wealthy investors are not as likely to focus on making a “quick buck”. These investors prefer the “tortoise over the hare” approach to investing — to park their money into companies that will offer consistent returns over a longer time span, rather than soar but then crash and burn in a few years.

So how do you isolate such investments? The best way to determine a solid investment is by looking at the company’s line of business, its past performance, and its future potential. Every investor can access companies that fit this profile. **Canadian Natural Resources Limited** ([TSX: CNQ](#))([NYSE: CNQ](#)), **Brookfield Asset Management Inc.** ([TSX: BAM.A](#))([NYSE: BAM](#)), and **Canadian Utilities Limited** ([TSX: CU](#)) are excellent examples.

Canadian Natural Resources Limited

Canadian Natural Resources Limited is widely known as the low-cost producer of heavy crude oil in Canada. The company is also a diverse play on the energy sector, producing natural gas, heavy crude, and light crude. Canadian Natural Resources has built up a very large land position in Canada’s oil sands and therefore can benefit from an economy of scale when it comes to exploration and production costs. The company also is cash-rich and open to expanding through acquisitions. Over the past 10 years, its stock has soared to just below \$50 per share from \$12.65.

Right now is also a good time to look at buying into Canadian Natural Resources, while low oil prices are putting pressure on the stock. Oil is cyclical, and the time to buy is when prices are low. Canadian Natural Resources can survive low oil prices and could even use the low price environment as an opportunity to grow, further positioning it for future success. The company also rewards its investors with dividends; the current annual yield of its dividend is 2.13%.

Brookfield Asset Management Inc.

Brookfield Asset Management Inc. is Canada’s largest alternative asset manager. Over the past 10 years, the company’s stock has advanced to above \$50 per share from below \$18, an approximately 190% return.

Brookfield Asset Management has showered its investors with large year-over-year returns through the roughly \$200 billion in assets it holds, which include real estate, renewable energy, infrastructure, and private equity. A diverse suite of assets is always a good factor when looking at a company with long-

term potential. Through its diverse holdings, Brookfield can profit in various phases of the economic cycle. Brookfield is also unique in that its private equity firm invests cash into its assets, which compounds the returns that the company can obtain.

The company has a consistent track record of growing its businesses and pays a dividend (current annual dividend yield is 1.38%).

Canadian Utilities Limited

Canadian Utilities Limited has been a steady performer for years. Over the past decade, the stock has advanced about 180%. Another positive for investors looking for wealth-building stocks is the company's penchant for hiking its dividend, which it's done for 42 straight years. Canadian Utilities Limited is securing future growth by investing in electricity transmission projects in Alberta, expanding in Australia, and investing in green energy. The investment in Alberta is seen as one of the company's key pillars to growth, with the oil sands-driven economy in that province continuing to grow. The company's current annual dividend yield is a healthy 2.73%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
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Author

Iklingel

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