



## Steal These 3 Investing Tips From Canada's Richest Billionaires

### Description

I sure wish I were a billionaire.

It isn't just the access, or the influence, or knowing that you'll never wait in another line again. Those are nice perks, but they don't compare to the biggest of all—knowing that you never have to worry about money again.

Unfortunately, chances are nobody reading this will ever become a billionaire. It takes a special combination of intelligence, aggression, ability to scale indefinitely, and luck to get a net worth with nine zeros.

But that doesn't mean that investors like you or me can't steal many of the investing secrets that are employed by the richest Canadians. Here are three you can use for your investments.

### Easy to understand businesses

Jim Pattison is one of my favourite billionaires. His privately held conglomerate has its fingers in all sorts of pies.

He started out in the car business, eventually growing his namesake dealerships into Canada's third-largest auto seller. He then diversified into other businesses, owning things like a grocery store chain, a juice producer, an outdoor advertising company, a magazine distributor, and a broadcasting company.

There are a few things these businesses have in common: they're scalable, meaning Pattison could easily grow them. Together, they work well as a cohesive unit (auto dealerships and grocery stores are heavy buyers of advertising, for example). And most importantly, they're easy to understand businesses.

Those kinds of businesses are never going to garner much in the way of headlines, nor will they make a lot of money for investors in a short period of time. They're steady growers that generate a lot of cash flow—earnings that usually translate into impressive dividends. It's for that reason they should make up

the bedrock of your portfolio.

A perfect example is **Inter Pipeline Ltd.** (TSX:IPL). Inter operates in an easy to understand business, generates plenty of cash flow, pays a generous 6% dividend, and has all sorts of expansion potential—provided the price of oil recovers, which it undoubtedly will.

One of the things I really like about Inter Pipeline is just how easy it is for the company to seize that capacity potential. It currently has two main oil sands pipelines that are only operating at about half of maximum utilization. Once more production comes online in the region, Inter can pipe it back to refineries for very little additional cost.

### **Forget about public opinion**

Another thing billionaire investors have in common is they don't care about public opinion. They load up on shares of companies they know the public hates, knowing that backlash tends to follow businesses with high profit margins and wide customer use.

A perfect example is **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)), Canada's largest wireless carrier. The company is constantly the target of criticism when customers complain that their bills are too high, roaming charges are unnecessary, and the overall industry is an oligarchy.

Rogers seems to get the brunt of this outrage, but perhaps that's changing. Under its new CEO, the company has reported a sharp decline in the number of complaints against it.

As a minority shareholder, you don't have to worry about complaints at all. You don't even have to admit to anyone you own shares.

### **Patience**

There's a reason why most of Canada's billionaires seem like they should be in an old-folks' home. It's because compounding takes a very long time. Often, billionaires are even two or three generations deep, leveraging a good start in life into something much bigger.

Many investors forget this lesson and easily get discouraged when, after weeks of diligent savings, they don't see anything more than a blip in their net worth. They don't realize the sacrifice it takes to get truly wealthy. It isn't something can be accomplished in a few months or even a few years. It takes a lifetime to get there.

Remember, when he was 50 years old, Warren Buffett was only worth \$1 billion—99% of his wealth was earned after he turned 50.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **POST TAG**

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:RCI.B (Rogers Communications Inc.)

### Category

1. Dividend Stocks
2. Investing

### Tags

1. Editor's Choice

### Date

2025/09/11

### Date Created

2016/04/15

### Author

nelsonpsmith

default watermark

default watermark