



## 2 Ways to Invest With the Canadian Warren Buffett

### Description

Prem Watsa, also known as the Warren Buffett of Canada, is the man behind **Fairfax Financial Holdings Ltd.** ([TSX:FFH](#)) and **Fairfax India Holdings Corp.** ([TSX:FIH.U](#)) — two great businesses that offer a considerable amount of value at current levels. Mr. Watsa has been known for his cautious approach to investing and putting preservation of capital at the top of his list.

You could call him a doomsday investor if you want, as he's always concerned about protecting his portfolio from the next economic collapse. Like it or not, he's been timing the market, and it hasn't been working well for him and FFH of late.

If you're a long-term investor looking for something that will outperform over the course of the next decade, then chances are, you'll do really well with either FFH or FIH.U. Despite being a cautious investor, Mr. Watsa suddenly ditched his bearish stance following Trump's presidential victory. Why? He thinks Trump's agenda will strengthen the U.S. economy, which is good news for Canada as well as global markets.

Let's take a closer look at the Fairfax stocks and see if either is a good fit for your portfolio.

### Fairfax Financial Holdings Ltd.

Shares of FFH are down ~18% since all-time highs and has attracted the attention of investors on the hunt for value opportunities. It's a great idea to be a holder of the stock when things get ugly. Just look at the Great Recession; FFH is one of the few stocks out there that went actually went up, while almost everything else lost half of the value.

Because of FFH's top-notch performance during tough times, many folks who are feeling bearish may wish to own shares for protection from the next crash. But with Mr. Watsa's recent change in stance, will FFH still offer suitable downside protection? After all, market crashes usually happen when everybody, including some pundits, is bullish on the markets.

Despite eliminating a substantial amount of hedge positions, Mr. Watsa still owns securities that'll offer downside protection, just in case his bullish Trump thesis breaks down.

Fairfax is an undervalued gem that currently pays a solid 2.06% yield. If you're looking to invest alongside one of the greats for cheap, then it really doesn't get better than FFH at current valuations.

### **Fairfax India Holdings Corp.**

Looking for a higher-growth play alongside Mr. Watsa? Then Fairfax India is probably better suited for you. The investment holding company tries to find next-level returns by investing in businesses in the hot emerging market of India. Shares of FIH.U have soared ~62% over the last year, and they're still cheap with a 4.91 price-to-earnings multiple.

Emerging markets are a must-have for Canadians, especially considering how unstable the Canadian economy has been of late. Sure, you could invest in the U.S., but valuations are stretched over there, and, on average, you probably won't get next-level returns like you would with a fast-growing emerging market.

Mr. Watsa knows the Indian market really well, and you have a chance to profit from his knowledge of Indian businesses and the huge long-term growth that they have to offer. Investing in emerging markets can be a tricky proposition, but it doesn't have to be, thanks to FIH.U. Buy shares and just forget about them. Let Mr. Watsa navigate, and reap the rewards of the high returns offered by one of the hottest emerging markets out there today.

Stay smart. Stay hungry. Stay Foolish.

### **CATEGORY**

1. Investing

### **POST TAG**

1. Editor's Choice

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1. TSX:FFH (Fairfax Financial Holdings Limited)

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joefrenette

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