



Canadian National Railway Company: the Investment Gift That Keeps on Giving

Description

Many do-it-yourself investors are looking to beat the markets, which may seem like a daunting task for a new investor, but it doesn't have to be, especially if you've got patience and discipline, two important traits that are incredibly hard to learn. If you can master these two traits, then not only will you be able to capitalize on opportunities over the long run to meet your long-term financial goals, but you'll also be just as well-equipped to beat the market as any professional money managers who charge obscene fees for their services.

If you have the patience to keep a long-term mindset and the discipline to be a contrarian, then you've got what it takes to be a fantastic value investor who can potentially do far better than any professional can. I know that may seem far-fetched at first, but it isn't. As an individual investor, you've got many advantages that the bigger players on Wall or Bay Street don't. You can capitalize on small-cap opportunities that the bigger players can't load up on, and you have the freedom to think extremely long term without being pressured to up your shorter-term results.

It's your money, and nobody can manage it better than you can, especially the professionals who may be putting their own self-interests before yours. With ample resources at your disposal today, it's time to roll up your sleeves and do your own homework. You'll thank yourself later!

How can an individual investor beat the market on a consistent basis?

There's no doubt about it: beating the market is hard! Many money managers fail at it because they're pressured to clock in top-notch results on a consistent basis over the shorter term, something that can't be done consistently. There's simply no way around it. Unless you're a gifted trader, it's extremely hard to beat the markets over the short term on a consistent basis year after year, so if you're a beginner and you want to top the markets, you're going to need to think really long term. I'm talking an investment horizon of at least a decade!

Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#)) is the perfect example of a wonderful business that has beaten the markets over the extremely long term. The stock has been a laggard over the past few months, but in the grander scheme of things, these are nothing more than small blips that

will barely be visible down the road, when the stock is much higher than it is today.

These small dips should be treated as [opportunities](#) to back up the truck on shares of a business that will return a huge amount of wealth to you over the long term. Bill Gates has loaded up the truck at every opportune time, and long-term investors who are serious about outperforming the markets should follow in his footsteps.

CN Rail has a gigantic moat, and it's not going to be eroded anytime soon. Although Elon Musk is working on a Hyperloop rapid transportation system, it's not going to be completed for many years, and it's doubtful it will ever be able to safely transport freight over long distances. It's therefore pretty safe to say that rail is an industry that'll be relatively immune to technological disruptors over the long haul.

In fact, technology will help CN Rail become a [more efficient rail operator](#) for many years to come as IoT helps the company avoid accidents and keep things moving in the safest way possible.

Bottom line

Beating the market over the short- to medium-term is hard, but beating it over the long term is easier if you've got wonderful businesses at the core of your portfolio. CN Rail is a dividend growth king that will continue to gift investors with dividend hikes on a consistent basis for many years to come.

Although the 1.6% yield may not seem like much, it will snowball in a decade from now, when the yield is closer to that of a high-yield, slower-growth stock. In the longer term, with CN Rail at your portfolio's core, you can have your dividend and capital gains too.

Stay hungry. Stay Foolish.

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