



1 Simple Tip You Can Apply to Beat the Market

Description

The brain is a funny thing. Studies have shown that when investors have stock holdings that have fallen a lot, there's much more pain felt than the joy felt when stock holdings gain by the same amount.

And typically, investors are more inclined to hold on to their losers than their winners. They feel good when they take profits but tend to avoid selling at a loss. They want to see their losers return to at least breakeven before parting ways with them.

The truth is, time and time again winning stocks tend to continue winning. So, you might as well stick to them and add to them on dips and certainly when they're trading at fair to discounted valuations. This way, in the long run, you'll [beat the market with reduced risk](#) by sticking with tried-and-true winners.



Here are three winning examples.

Since **Spin Master Corp.** ([TSX:TOY](#)) began trading in the summer of 2015, the stock has appreciated ~180%, or delivered returns of ~45% per year!

Leading the company are the co-founders who are passionate about making toys and entertainment that kids love. Spin Master also makes smart acquisitions and [innovates](#) to keep children engaged.

To show that it takes the lead in innovation, I'll quote Spin Master from its recent press release: "To

date, Spin Master has received 92 Toy of the Year nominations, and won 24 TOTYs across all categories, including 13 nominations for Innovative Toy of the Year — more than any of its competitors.”

The Big Five Canadian banks normally take the spotlight, but **National Bank of Canada** ([TSX:NA](#)) has actually been a more terrific stock. Since the pre-Financial Crisis level, the stock has delivered total returns of ~11.2% per year, beating the Big Five banks by at least ~1.5% per year.

Additionally, National Bank tends to trade at a cheaper multiple than its bigger peers. Currently, National Bank offers a fabulous 4% yield, and investors can surely expect future dividend growth.

Brookfield Asset Management Inc. (TSX:BAM.A)([NYSE:BAM](#)) is a spectacular opportunity for investors to gain exposure to real assets that are impossible to access by the ordinary Joe.

Through Brookfield, investors can invest in best-in-class office towers in gateway cities around the world, the shift to renewable energy, stable cash-cow infrastructure assets, and much more.

Investor takeaway

You can beat the market by holding on to your winners, as winners tend to continue winning, because they're doing the right things. Spin Master, National Bank, and Brookfield are winners. They all look fairly valued at the current levels. Long-term investors can begin scaling in to their positions. If you're looking for a bigger margin of safety, look for dips of 5-10% for starters.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:NA (National Bank of Canada)
4. TSX:TOY (Spin Master)

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