



What Canadian Investors Could Have Learned by Watching Buffett's Annual Meeting

Description

This past weekend investors had the opportunity to watch the annual meeting of **Berkshire Hathaway Inc.** (NYSE:BRK.A)(NYSE:BRK.B), which was broadcast over the internet. As usual, Warren Buffett and Charlie Munger sat at the front of the auditorium and answered questions about their investment process and investing in general. Up for discussion were several companies that are long-term holdings in the Berkshire family along with a number of newer names.

As expected, there are commonalities in many of these names. For several years, Berkshire Hathaway has owned many auto dealerships and has now started to tout the electric vehicle investment made overseas. The commonality between these two operations is arguably the total number of competitors in the industry. When considering the many investments held inside the Berkshire family, the word *oligopoly* often springs to mind.

For those who aren't aware, an oligopoly is an industry that is composed of between two and approximately five competitors, which translates to better pricing power for the businesses. As an example, there are only so many companies that make smartphones, of which Berkshire Hathaway is a major investor. As of the most recent count, the company owned close to 166.7 million shares of **Apple Inc.**

In Canada, a number of investments fit this category. To begin with, shares of **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)), which are currently trading at a price of \$53.50, offer incredible value beginning with the dividend. At current levels, the dividend yield is no less than 5.6%, which should increase over the next few years as the company has the ability to increase prices and net profit alike. To make this investment even more attractive, BCE is the main buyer of broadcast for almost all major sporting events right now. Consumers wanting to watch sports on television may have few other [options](#), if any.

On the insurance front, shares of **Manulife Financial Corp.** ([TSX:MFC](#))([NYSE:MFC](#)), trading at a current price of \$24, are paying shareholders a dividend yield of 3.6% as the country's largest and most dominant insurance company continues to exit less profitable businesses and expand outside Canada. Many older baby boomers are reaching an age when it makes sense to reconsider their

insurance needs and make any changes. And as health care and technology continue to improve, the biggest benefactors will be the [insurance companies](#). The bottom line is that more Canadians are living longer and healthier lives.

With so many offerings, investors who want to follow the investment process set out by Warren Buffett and Charlie Munger have plenty of fantastic opportunities that fit the mold. The challenge will be to find these companies and buy them at the right price.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BRK.B (Berkshire Hathaway Inc.)
3. NYSE:BRKA (Berkshire Hathaway Inc.)
4. NYSE:MFC (Manulife Financial Corporation)
5. TSX:BCE (BCE Inc.)
6. TSX:MFC (Manulife Financial Corporation)

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