



Give Your TFSA a Front-Row Seat to These 2 Red-Hot Emerging Markets

Description

If you're looking to jolt your TFSA's returns, then you may want to consider investment options outside the confines of Canada. Not only will your portfolio be more geographically diversified, but you'll also stand to enjoy higher returns for the marginally higher amount of risk that you'll take on.

However, if you're like many Canadians, then the U.S. is probably the farthest you're willing to go when it comes to "international" investment opportunities.

Warren Buffett's mantra is "invest in what you know," and for many of us, venturing into emerging markets like India, Africa, or Brazil can be an overwhelming experience, especially if we're unfamiliar with the businesses within these jurisdictions and the rules they're subject to.

Most of us wouldn't know where to start even if we were keen on putting money to work in an emerging market. There are many additional factors and risks to consider when venturing into a foreign stock exchange. So, is the added risk and inconvenience really worth the potential added gains over the long haul?

If you were to navigate the uncharted foreign exchanges yourself, then probably not — especially if you don't have the time to do the extra homework that comes with investing in stocks whose countries you're not familiar with.

What about paying an expert to invest in these emerging markets for you?

Prem Watsa, CEO of [Fairfax Financial Holding Ltd. \(TSX:FFH\)](#), has made it really easy for Canadian investors to gain some exposure to two of the hottest emerging markets in Africa and India through two TSX-traded securities: **Fairfax Africa Holdings Corp. (TSX:FAH.U)** and [Fairfax India Holdings Corp. \(TSX:FIH.U\)](#).

Watsa is a deep-value investor who is all about the preservation of capital and investing with a margin of safety. Although the African and Indian markets are considered riskier than markets of developed nations, you can feel comfortable with Watsa's conservative approach, which stands to mitigate perceived risks that come with investing in rapidly emerging markets where there's usually a tonne of

uncertainty.

Moreover, Watsa and his team have a knack for spotting macroeconomic trends. One major trend is rapid modernization as the Indian economy readies for take-off. Indian Prime Minister Narendra Modi shed light on the growth that's to come from India at the World Economic Forum (WEF), laying out the foundation for what he hopes will be a \$5 trillion economy by 2025.

That's a remarkable amount of growth that's influenced Fairfax India's investments in Bangalore International Airport Ltd. and National Stock Exchange of India Ltd., both of which could soar if Modi's \$5 trillion dream comes true.

Bottom line

If you're bullish on developing markets, you won't need to worry about navigating unknown markets without a guide. Fairfax India and Fairfax Africa are two wonderful holding companies that are led by one of the smartest investors of our time.

Stay hungry. Stay Foolish.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:FFH (Fairfax Financial Holdings Limited)
2. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
3. TSX:HFPC.U (Fairfax Africa Holdings Corporation)

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Date

2025/06/30

Date Created

2018/06/17

Author

joefrenette

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