



Revealed: 3 Great Warren Buffett Stocks to Add to Your Portfolio Today

Description

We're fortunate to live in a world where the greatest investor of all time generously tells us all his secrets.

Warren Buffett has spent countless hours explaining his investment philosophies to the masses. Ultimately, it all comes down to a few sentences. Buffett is obsessed with buying high-quality businesses at reasonable valuations.

We've heard this a million times before. But what does it actually mean?

It means avoiding hundreds of different companies across dozens of different industries. If a stock is in a crummy business, investors shouldn't spend another minute of mental energy on it. Relentlessly filter out poor potential investments until you're only left with the best. From there, make your investment decisions accordingly.

This brings up another important question: just how do you identify a fantastic business? Is it profit margins? Longevity? Growth potential? The list is endless.

Investors can make it much easier on themselves. All they need to do is copy Buffett, either directly by picking the exact same stocks the Oracle of Omaha owns or by using his picks as inspiration.

Here are three great Buffett-inspired stocks to get you started.

Restaurant Brands

Warren Buffett is already a large investor in **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)), the owner of fast-food brands Tim Hortons, Burger King, and Popeyes. His stake is worth approximately US\$500 million.

Buffett has long been a fan of the fast-food business. The business collects a fee from every sale and in return offers the operator a recognized brand, training and other support, and marketing assistance,

plus much more. This translates into a much better financial risk for the owner. It's a great win-win scenario.

Yes, Restaurant Brands has had issues lately with disgruntled Tim Hortons franchisees, but ultimately this is just noise. Restaurants across all brands are busy, and the company is expanding existing brands into new markets. Burger King specifically is seeing particularly strong numbers; its same-store sales were up nearly 8% in the most recent quarter. Popeyes's growth isn't far behind.

The stock also pays a 2.8% dividend, featuring a payout that should continue to climb over time.

Fortis

Buffett isn't an investor in **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), but he is a big fan of the power industry.

Through his holding company **Berkshire Hathaway**, Buffett has substantial investments in power assets located in America's heartland. Berkshire Hathaway Energy does approximately US\$17 billion worth of revenue each year.

Fortis has a very similar business plan. It sells power and natural gas to regulated customers across Canada and the United States. It generates steady profits that are then reinvested into new projects and given back to investors in the form of ever-increasing dividends.

Fortis has hiked its annual payout each year for more than 40 years. Shares currently yield 3.6%.

CP Rail

Berkshire Hathaway also has a large ownership stake in the railroad industry after it acquired Burlington Northern Santa Fe for a little more than US\$35 billion back in 2009. The railroad business is naturally protected from competition, which makes it ideal for an investor looking for a business with pricing power.

Canadian Pacific Railway ([TSX:CP](#))([NYSE:CP](#)) is one of North America's largest railroads with routes stretching across Canada and into the U.S. Midwest. The company's laser focus on efficiency allows it to post consistently increasing profits; the bottom line per share increased from \$4.96 in 2013 to \$16.44 in 2017.

Rather than pay out profits in dividends — the current yield is under 1% — CP's board of directors has opted instead to buy back stock. The total amount of shares outstanding has decreased by approximately 20% since the end of 2013.

Channel your own Buffett today

Copying great investors like Warren Buffett has never been easier. All an investor needs to do is put their cash to work in very similar investments and watch their money grow. Great stocks like CP Rail, Fortis, and Restaurant Brands are fantastic places to start.

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2. NYSE:FTS (Fortis Inc.)
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Author

nelsonpsmith

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