



## The World's Best Investors Own These 3 TSX Index Stocks

### Description

The TSX has tonnes of great stocks for investors to choose from. Despite that, it often feels like TSX stocks are overshadowed by their peers on the NYSE and NASDAQ. Every day, the financial press spills barrels of ink over, say, the Dow's latest move, while the TSX gets comparatively little attention.

In light of this, it's no surprise that top money managers' assets are disproportionately concentrated in American stocks. Even adjusting for the number of stocks on the NYSE vs. the TSX, American money managers seem to have a serious "home turf bias" (Warren Buffett has admitted as much).

That doesn't mean there aren't some Canadian stocks that are favoured by "smart money." To the contrary, there are many TSX stocks that are mainstays of the world's best investors' portfolios. The following are just three among dozens.

### Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#))

RBC is Canada's largest bank by both earnings and market cap. The stock is currently cheap, with a 12 P/E ratio and a 2.01 price-to-book ratio. The low price is arguably justified by slow earnings growth: net income grew at just 5% year over year in Q1. However, the company is a Dividend Aristocrat, having recently [hiked its dividend](#), which currently yields around 4%. Bridgewater Associates's Ray Dalio is a big fan of RBC; it is currently his 17th-largest holding.

### Suncor Energy ([TSX:SU](#))([NYSE:SU](#))

Suncor Energy is a great stock in a depressed sector. While Canadian energy stocks have performed abysmally over the past five years, Suncor has actually done reasonably well, gaining 23% while paying a dividend along the way.

Suncor has a lot of smart money behind it. Warren Buffett [recently made waves](#) by buying a new stake in the company, having already bought and sold it several times in the past. Ray Dalio is also a Suncor fan, having increased his stake in the company in Q2 2018.

## Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#))

Restaurant Brands, true to its name, owns some very valuable restaurant brands. In Canada, it's mainly known for Tim Hortons. In addition, it also owns Burger King and Popeyes Louisiana Kitchen.

Restaurant Brands is not the cheapest or fastest-growing company in the world, with a 34 trailing P/E ratio and 12% year-over-year revenue growth. The stock pays a pretty decent dividend, which yields 3.25% and increased by a whopping 142% in the past year. Restaurant Brands is backed by Warren Buffett, Bill Ackman, and Jorge Paulo Lemann. Lemann's firm 3G Capital owns over 50% of the company.

## Foolish takeaway

The TSX is home to many gems that can reward investors handsomely. Sectors as diverse as tech, clothing retail, and cannabis have been beating the market so far this year. Often, though, it's the lesser-known TSX stocks that prove to be the best long term bets. None of the stocks on this list are flavour-of-the-week media darlings. But all of them have are favoured by some of the world's best investors. For anyone looking to make TSX bets this year, that may be something to pay attention to.

### CATEGORY

1. Bank Stocks
2. Energy Stocks
3. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

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2. NYSE:RY (Royal Bank of Canada)
3. NYSE:SU (Suncor Energy Inc.)
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