



Buy and Hold These 3 Stocks Forever

Description

Prem Watsa has long been known as Canada's Warren Buffett. That title is a bit misleading, however, given Watsa's track record surpasses Buffett's on many metrics.

For example, since founding his namesake firm **Fairfax Financial Holdings** ([TSX:FFH](#)) in the 1980s, Watsa has grown its book value by nearly 20% annually. **Berkshire Hathaway Inc.**'s (NYSE:BRK-A)(NYSE:BRK-B) performance over the same period comes in just a tad lower.

Armed with comparable track records, both Buffett and Watsa also employ similar investment strategies, with a focus on multi-decade results over short-term gains. Both legendary investors are well known for their buy-and-hold-forever philosophies.

Fortunately, there are several ways for you to gain direct exposure to Watsa's investing acumen. With the following three stocks, you have an opportunity to buy and hold forever. It's an opportunity that Buffett and Watsa dream about.

Stick with this classic

By far the easiest way to take advantage of Watsa's stock picks is to buy shares in his holding company, Fairfax Financial Holdings. This company is very similar to the structure of Berkshire Hathaway, which owns a litany of insurance businesses to finance investments into other opportunities, typically public equities.

While Fairfax Financial has a terrific long-term track record, it truly shines during bear markets.

For example, during the credit crisis of 2008, global stock markets lost anywhere from 20% to 70% in value. Even stocks once believed to be safe harbours lost a third of their value or more. Incredibly, Fairfax Financial shares posted a positive return that year! If that isn't impressive, I'm not sure what is.

With a \$13 billion market capitalization, Fairfax Financial still has plenty of room to grow before it reaches the size of Berkshire Hathaway, which currently is more than 30 times its value. Still, there are

some stealthy ways you can leverage Watsa's brain in higher-growth areas.

Gain exposure to high-growth regions

Watsa launched **Fairfax India Holdings Corp** ([TSX:FIH.U](#)) in 2015 for the sole purpose of investing in India. Since the investment vehicle was launched, shares are up 40% versus a 7% gain for the **S&P/TSX Composite Index**.

Investing in emerging markets can be tricky. Having Prem Watsa do your investing for you is a great way to circumvent many of the related difficulties.

Born in Hyderabad, India, Watsa has first-hand knowledge of the country's investment climate. Investors in Fairfax India gain access to his deep network of entrepreneurs and partners whose job is to source and close attractive deals. As I [wrote](#) last year, "Many of these deals are private, meaning that very few outside investors can participate."

If you like gaining exposure to high-growth areas with the protection of a proven investor, the next stock could be even more attractive.

Tapping the potential of Africa

Investing in Africa comes with major risks, especially without on-the-ground help. These hurdles have provided great values for investors willing to put in the work. That's why Watsa founded **Fairfax Africa Holdings Corp** ([TSX:FAH.U](#)) in 2017.

This investment vehicle is just getting started and doesn't have a proven long-term track record. Still, judging by Watsa's past successes, it looks like a way to benefit from the rise of Africa without needing to do the homework yourself.

How Fairfax Africa ultimately invests across the continent remains to be seen, but Watsa has earned the benefit of the doubt.

As with the other stocks on this list, Fairfax Africa is likely a multi-decade opportunity. These are stocks you can buy and forget for years knowing that your investment capital is in the best of hands.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BRK.B (Berkshire Hathaway Inc.)
2. NYSE:BRKA (Berkshire Hathaway Inc.)
3. TSX:FFH (Fairfax Financial Holdings Limited)
4. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
5. TSX:HFPC.U (Fairfax Africa Holdings Corporation)

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