



Never Sell These 3 Stocks

Description

Finding stocks to buy is important. If you unearth the right ones, you never have to buy another stock again.

That's the case with the following three opportunities. All of them are led by a world-renowned investor and target opportunities that could last 50 years or longer.

If you want to find your forever stocks, look no further.

Buy the next Warren Buffett

You may have heard of **Fairfax Financial Holdings** ([TSX:FFH](#)). It's run by Prem Watsa, largely regarded as the Warren Buffett of Canada. Indeed, Fairfax Financial has many similarities to Buffett's **Berkshire Hathaway** (NYSE:BRK.A)(NYSE:BRK.B).

For example, both firms act as holding companies that facilitate the founder's investment activities. Berkshire and Fairfax Financial own several insurance businesses that provide regular capital that needs investing. Buffett and Watsa direct where these funds go.

Over the decades, both entities have amassed impressive track records. Since 1985, Fairfax Financial has grown book value per share by an average 18.7% annually. That's right up there with Berkshire's long-term performance.

The one advantage that Fairfax Financial has over Berkshire is its size. Berkshire is currently worth more than \$500 billion. Fairfax Financial, however, is worth less than \$20 billion. It would have to grow by 25 times to reach Berkshire's size.

In order for Berkshire to grow at that rate, it would need to reach a market cap of more than \$12 trillion — a virtual impossibility. That makes Fairfax Financial the better bet for multi-decade investment horizons.

Unless you plan on becoming the oldest person on the planet, there won't be any need to sell this stock until you need to cash out entirely.

Fairfax on steroids

Fortunately, Prem Watsa has additional vehicles that target hyper-focused, high-growth opportunities. This includes **Fairfax Africa Holdings** (TSX:FAH.U) and **Fairfax India Holdings** ([TSX:FIH.U](#)).

You'll get some exposure to those stocks if you invest in Fairfax Financial, as that holding company owns interests in both firms. However, the overall exposure is low, so you should consider purchasing additional stock to boost your return potential.

As their names indicate, Fairfax Africa and Fairfax India focus their investments to specific geographies.

Historically, both Africa and India have been incredibly difficult to invest in. If you purchase these two stocks, you essentially are hiring Watsa to make your investments for you. This is an exciting opportunity.

"Prem Watsa has a deep network of entrepreneurs and partners in both of these regions and uses them to source attractive deals," I [wrote](#) in May. "Many of these deals are private, meaning that very few outside investors can participate."

While other investors try to gain exposure through broad-based ETFs and mutual funds, these instruments typically miss out on small or private deals. Those are often the most valuable investments of all.

By 2050, India is expected to surpass the U.S. as the second-largest economy in the world. Several African economies, like Nigeria, should post the largest rises in the rankings.

By purchasing Fairfax Financial stock, you're buying the next Berkshire Hathaway. By purchasing shares of Fairfax Africa and Fairfax India, you're buying the next China.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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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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