



5 Investing Rules You Can Follow to Get Rich

Description

There are rules to live by when you're investing. They are essential to keep you away from trouble and your money safe. If you know them by heart, you'll know how to react in good and bad times.

Pick the right investments

According to Warren Buffett, you control your destiny when investing. In the stock market, you're a speculator more than an investor. No one can accurately predict future price movements. But if you want to stay on the safe side, choose a safe stock like **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), or Scotiabank.

Scotiabank is Canada's third-largest bank by market capitalization. This \$85 billion global bank is a Big Five bank and a legitimate blue-chip stock. BNS is also a buy-and-hold stock. It means you can purchase the stock today and [allow your money to grow over time](#).

From 2008 to 2018, the bank enjoyed consistent growth. Scotiabank's adjusted EPS grew by 9% annually. Because of the steady EPS growth, investors were rewarded with dividend growth as well. In the past decade, BNS's dividend grew by an average of 6% per year. The yield today is 5%.

But what makes Scotiabank a safe investment is its highly profitable business model. With several catalysts that could drive growth in the years ahead, Scotiabank will realize its full potential.

Would-be retirees and income investors find the bank stock a safe, worthwhile, long-term holding, and you can, too.

Find opportunities in bull and bear markets

There are earning opportunities in a rising and declining market. The key is to be flexible and re-balance your portfolio when the need arises. As an example, the market is declining because of recession fears. Instead of panicking, invest in companies that have endured the severest economic

downturns.

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) is an oil and gas company that has been around for 46 years. In the last 17 years, the company has grown dividends, and its latest increase was 12%. The stock yields 4.7% today.

But what I find genuinely comforting is that the CPP Investment Board (CPPIB) owns \$1 billion worth of CNQ shares. Remember that [CPPIB's mandate](#) is to invest the assets of the Canada Pension Plan on behalf of Canadian contributors and beneficiaries. As one of CPPIB's top five holdings, you won't fear a recession.

Do your homework

Don't invest based on popularity, and don't go along with the herd. More so, never invest in a company whose business you don't understand. The rule is to research and analyze the investment prospect before putting in your money.

Learn the strategies

There are several strategies on the stock market, such as value investing, growth investing, and dividend investing, among others. However, each strategy is unique and not necessarily applicable every time. If you can learn them, you can readily adjust in different situations.

Diversify

Lastly, you need to diversify to spread out the risk. If you have BNS and CNQ in your portfolio, you're one step closer to successfully containing the risk.

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:CNQ (Canadian Natural Resources)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CNQ (Canadian Natural Resources Limited)

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