



How to Retire Rich and Never Worry

Description

Everyone wants to retire rich, but few will. Amassing great wealth often requires a reliable income stream, but there are other [secrets to investing](#) that have been proven to work time and time again. If you're stashing away money on a regular basis, then congratulations. Simply not saving enough is the number one investing mistake Canadians are making today.

But saving money, of course, is only one side of the equation. Figuring out *where* you'll invest that money is equally as important. If you want to retire rich and sleep easy, these are the only stocks you'll ever need.

A 100-year story

Many investors try to find the next big thing when they really should be looking for the next *huge* thing. I'm not talking about the newest gadget or trendy industry. When I say huge, I mean something that has fueled the last 50 years of history and will persist for the next 50 years or more. If you're looking for the biggest trend this century, just take a look at population growth.

The numbers are staggering. From 1900 to 1950, the global population increased by roughly 1 billion. From 1950 to 2000, global populations increased by 3.5 billion. Over the last two decades alone, from 2000 through today, nearly 2 billion additional people have been added to the world. The United Nations expects this breakneck pack to slow, but global populations should still continue to increase through at least 2100.

Fortunately, there's a company out there that directly capitalizes on this multi-century phenomenon: **Brookfield Infrastructure Partners LP** ([TSX:BIP.UN](#))([NYSE:BIP](#)). Brookfield owns major infrastructure projects like roads, airports, seaports, and power plants. Many of its projects are located in areas with rapidly growing populations. Population growth nearly always results in increased demand for Brookfield's assets.

Brookfield has been executing this strategy for decades. If you invested \$10,000 into the stock in 1985, you'd have more than \$300,000 today. There are plenty of reasons to believe the company can repeat

this success over the next few decades and beyond.

Success since 1985

Brookfield is as close as it comes to a “permanent” holding. These stocks should stick in your portfolio forever and have the ability to deliver solid returns whether you’re 30-years-old or deep into retirement. Another reliable selection is **Fairfax Financial Holdings Ltd** ([TSX:FFH](#)).

Founded by Prem Watsa in 1985, Fairfax Financial has delivered annual returns of more than 17%. That’s one of the most impressive track records in the industry. Plus, during the 2008 financial crisis, the stock was barely impacted. That’s incredible considering equity markets were plunging by 40% or more. For more than 30 years, Fairfax Financial has been the ideal stock for growing your retirement dollars while limiting volatility. Still, the stock is currently priced like a bargain.

Despite its nearly unmatched track record of growth and stability, Fairfax Financial shares are priced at exactly book value. That’s a 20% discount versus its five-year average. Berkshire Hathaway Inc., a company with a very similar business model and long-term track record, trades at 134% book value.

It’s not often that you have the chance to purchase proven winners at a discount. With a market cap of just \$16 billion, Fairfax Financial likely has several more decades of growth ahead. At today’s bargain price, this should be in everyone’s portfolio, young or old.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:FFH (Fairfax Financial Holdings Limited)

PARTNER-FEEDS

1. Business Insider
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