2 Stocks for Lazy Investors Who Want to Retire Rich

Description

Are you lazy, or at least unable to dedicate 40 hours a week to manage your portfolio? That's not a problem. In fact, it could be a blessing. Just ask shareholders of **Berkshire Hathaway Inc.** if they've minded outsourcing all of the work to Warren Buffett.

For more than three decades, Berkshire Hathaway stock has produced 20% annual returns — twice the performance of the **S&P 500 Index**.

If you can't afford to spend massive amounts of time researching opportunities and fine-tuning your asset allocation, there are multiple Canadian stocks like Berkshire Hathaway that can eliminate the need for your participation entirely.

You don't have to sacrifice performance, either. As with Berkshire Hathaway, the following stocks have a long history of outperforming the market.

Want to stay lazy but retire rich? Check out these top-rated **TSX** stocks.

The Canadian Buffett

Prem Watsa is often referred to as Canada's Warren Buffett, and it's not hard to understand why. Few investors have a long-term track record that can match Watsa's. Only the likes of Buffett can compare.

Since 1985, Watsa's **Fairfax Financial Holdings Ltd** has generated annual returns of roughly 17%. That's a 35-year stretch of market-beating results.

Watsa's secret weapon is extremely similar to Buffett's. Both Berkshire and Fairfax own a litany of insurance businesses that provide regular cash that needs investing.

Insurance is a fairly stable business, even during a bear market. And as insurance companies take in a bunch of premiums that don't need to be paid out until a claim is made, they sit on huge sums of under-utilized cash. Watsa and Buffett invest this idle cash to generate returns for shareholders.

The great advantage to this model is that Watsa has new money to invest at every part of the market cycle. Typically, when prices fall 50%, few investors have a few billion dollars that can be invested at rock-bottom prices. With the insurance model in place, Watsa is actually able to take advantage of downturns.

While Buffett is 89 years old; Watsa only recently turned 69. He has never signaled an intention to slow down, likely giving investors decades of additional runway.

Second to none

Brookfield Asset Management Inc is one of the best alternative asset managers of the past 50 years. Since 1995, its own shares have increased by more than 3,000%.

The company's business model is simple: it creates investment vehicles that target under-served areas of the market. It almost always takes a huge equity position in the newly-created vehicle in order to align incentives.

One of its most successful ventures has been **Brookfield Infrastructure Partners L.P.** (TSX:BIP.UN)(NYSE:BIP). Over the past decade, shares have increased by nearly 500% compared to a 50% return for the **S&P/TSX Composite Index**.

Brookfield Infrastructure is targeting the largest growth opportunity in the history of mankind: population growth. By investing in critical infrastructure projects like railroads, highways, seaports, and energy generation facilities, the company is directly exposed to rising populations, which nearly always increase demand for these assets.

Brookfield Infrastructure already generates a 2.8% dividend, but the most exciting possibility is continued growth. The United Nations predicts that global populations will continue to rise through at least 2100. With Brookfield Asset Management making the calls, it's likely that Brookfield Infrastructure will continue to capitalize.

CATEGORY

1. Investing

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1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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