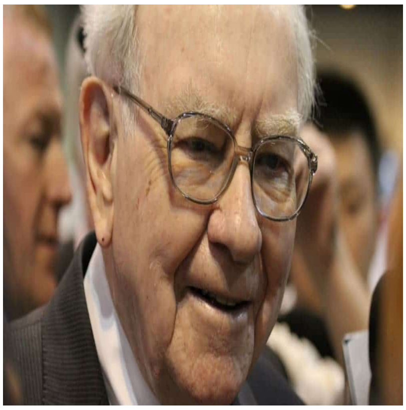

Must Read: The 3 Best Pieces of Advice From Warren Buffett Over the Last Decade

Description

Whenever Warren Buffett speaks or does a new interview, it always makes headlines, as investors want to know what's going on inside the mind of the greatest investor of all time.

While you can gain a lot of knowledge and understanding watching his interviews or reading books about him, the best way to gain an understanding of his current state of mind each year is to read his letter to shareholders that come in his annual reports.

For more than 40 years, investors have used these letters to gauge Buffett's thoughts on the market, so as we head into 2020, let's take a look at some of the top advice from Buffett's letters to shareholders within the last decade.

Efficient markets

While in the past markets may not have been as efficient and Buffett was able to bargain hunt and find some great stocks for cheap, with better technology and more knowledgeable investors, today's markets are much more efficient.

This means that investors can't try to time the market and expect to realise major results. Rather, investors should look for wonderful companies trading at fair prices instead of buying fair companies at wonderful prices.

He has acknowledged that the markets do have the ability to become irrational sometimes, but for the most part they are efficient, so don't get hung up waiting for a high-value deal and miss all the upside in the meantime.

Long-term growth in the economy

Buffett is 89 years old now, so it's safe to say that he's been around the block and experienced a lot in his life. One idea that he has never wavered on is that over the long term, the economy will always be improving and expanding.

Although Buffett understands the market cycles, as that's when he finds some of his best investments, he doesn't seem to worry about it happening the day after he makes an investment.

When he invests in a stock, he does so with a long-term mindset, so he could buy a stock today that loses half its value tomorrow and wouldn't bat an eye.

In fact, if he didn't already own the whole company, he'd probably end up buying more.

Stock buybacks aren't always recommended

While Buffett thinks using cash to buy back shares for a company that's trading undervalued is prudent, buying back shares when the stock is trading overvalued can be a major mistake.

It's difficult for the managers of the company who are making the decision to buy back shares or not, as most believe the share price is undervalued, as it's their job to do everything they can to make it grow.

It's important to analyze the investment to buy back shares, but for investors who actually own the company, is this an efficient way of using your capital or could an investment to grow the business be a better use of the funds today?

Bottom line

One thing all of these pieces of advice have in common is that they are rational ideas that intuitively make sense, helping investors to understand which stocks are attractive to own for the long term.

One company that fits the bill and is a great long-term hold for investors is **BCE Inc.**

BCE is the largest telecom in Canada and well positioned in one of the most important industries. Its business and economics are wonderful, and it trades for what most people would consider to be a fair price.

Despite worries of a recession around the corner, BCE operates amid an industry that isn't going anywhere and its business is so strong and integral that it will continue to be the industry leader through thick and thin.

The company has been known to return cash to shareholders through both dividends and buy backs. However, the buy buybacks account for a small portion of the funds returned to shareholders; at a price-to-earnings ratio below 20 times, that's cheap for a well-run company like BCE.

Listening to and heeding the advice of Buffett is the easiest way to learn to invest properly and will return you tonnes of money over the length of your investing career.

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