



## Warren Buffett: 2 Actionable Investing Tips From the Oracle Himself

### Description

The Oracle of Omaha has been an inspiration to investors for decades. He has a history of continued success as one of the most prolific investors of our time. And though many might disagree with his methodologies and strategies, most concede to his wisdom when it comes to investing. His bits of advice have helped a lot of people change the way they perceive and engage in investing.

### Time and value

“Time is the friend of the wonderful company, the enemy of the mediocre.”

One of the most consistent things about Warren Buffett’s investment techniques is his belief in the value of a business. The Oracle of Omaha believes that great businesses prove their value over time, and you, an investor, should always pick businesses that you can hold for decades to come.

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is [an excellent example](#) of this advice. The company is the second-oldest Dividend Aristocrat on the TSX as well as a steady grower. In the past 20 years, the company has grown its market value continuously and consistently. The momentum of its growth didn’t slow down during the recession and intermittent market stagnancy periods and corrections.

And just like Buffett said, time has been a friend to this company. This \$53 billion utility behemoth is a wonderful business indeed. It now has over 3.3 million consumers and sits as a market leader in its field, with dependable cash flows and well-engineered growth.

The 10-year CAGR of Fortis is 11.75%, and it offers a modest dividend yield of 3.28% at the time of writing. The payout itself will most likely continue to increase, since the company has been doing that for the past 46 years. If it keeps its pace and you reinvest the dividends, you might be sitting on a nest egg worth way over half-a-million dollars in less than three decades, with just \$10,000 today.

### Discard herd mentality

“Be fearful when others are greedy and be greedy when others are fearful.”

Broad market trends and behaviour of other investors are very important indicators to watch for. But following them might not always be the best idea. Playing contrarian to the market tends to pay off. Warren Buffett bought a stake in **Wells Fargo** and **American Express** during the Great Recession, which has grown to seven and five times, respectively. That’s just one example of how buying when others we selling paid dividends for Oracle of Omaha.

One example of this is **Air Canada**, [a company](#) whose market value fell over 95% in three years (2006 to 2009), and kept flat-lining until 2014, when the company rose back up in the air. In the past five years, the company’s market value has increased by 230%.

With the help of the right leadership, Air Canada survived its major crisis years. With proper restructuring and focus on growth, the company now seems to be heading in the right direction and have even more dependable growth.

## Foolish takeaway

Some fledgling or low-cap investors might think that following the advice of an investor who has billions of dollars to fund his investment decisions might not translate well for them. But I believe much of (not all) Warren Buffett’s advice about investment are just fundamentals of how this game works. And not many investors may not scale up to the Oracle of Omaha; they are likely to find themselves going in the right direction by following his advice.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Dividend Stocks
2. Investing

### Date

2025/08/01

**Date Created**

2020/03/05

**Author**

adamothonman

default watermark

default watermark