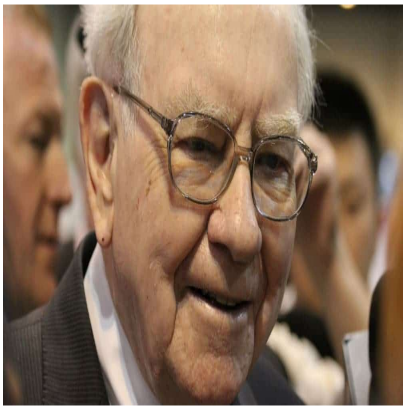

Here’s How to Invest Like Warren Buffett

Description

The COVID-19 pandemic has torn apart global economies and put the world in an unprecedented situation in the few short months since the start of the 2020s.

If you remember the financial crisis of 2008-2009, you must remember the devastation that investor capital saw. People lost millions, and massive companies went belly up. During that time, the Oracle of Omaha made massive investments in **Goldman Sachs** and **Bank of America**. The investments paid off substantial returns in the decade since.

Investors look to Warren Buffett during times of financial crises to follow his model for success as an investor. However, the most significant proponent of value investing has been relatively quiet during the current financial crisis. The only big move he has made is selling his airline stocks in the spring; he is sitting patiently on the sidelines.

While some may argue that he is losing his touch, I believe that he has achieved so much during his career that it would be good to model your approach after him during this time. I will discuss the ways that I think you can emulate Buffett’s success during 2020 for long-term benefits.

Look for industries with long-term potential

Warren Buffett is well known for his success as an investor. It is also his sense of optimism that is a significant part of his success. With the outbreak of COVID-19 in the U.S., he continued to express his faith in the long-term outlook for the economy.

While we may not have historical references for market movements during a global health crisis, we know that markets in the U.S. and Canada are resilient. No matter how bad things can become, the market always recovers. In times of such a crisis, investors should not panic. Instead, it would be best to look for sectors with long-term potential to help you grow your capital.

Practice patience

One thing that Buffett is never short of is patience. Buffett continues to remain patient when people are busy selling their shares or buying in droves due to discounted prices. Buffett is quite patient; it's unknown whether he is stopping himself because he is not sure about what to do or if he is waiting for the market to decline again. He is not making any rash moves with the mountain of cash that **Berkshire Hathaway** is sitting on right now.

Stock to consider

I think that **Fortis** (TSX:FTS)(NYSE:FTS) can be an ideal stock to add to your portfolio considering the factors above. I recommend buying Fortis shares and holding the stock in your Tax-Free Savings Account (TFSA) for several reasons. The utility stock is a dividend-paying stock that can grow your capital tax-free.

A utility operator that generates predictable and reliable income through regulated and long-term contracts, Fortis can retain its revenue much better than companies in most other industries. No matter how bad the economy gets, the company can continue to finance its dividends for a long time.

At writing, Fortis is trading for $51.47 per share and pays its investors at a decent 3.71% dividend yield. It may not be an incredibly high dividend yield, but it is a respectable figure during this time. The company can help your capital grow through dividends, and you can enjoy growth due to its capital gains.

With a five-year compounded annual growth rate of 9.61%, you can expect the stock to deliver substantial long-term results, as the markets recover and business becomes even better for the company.

Foolish takeaway

While you may feel inclined to be patient with your capital during this time, you should consider building a portfolio that can offer you substantial long-term returns in your TFSA. Fortis could be an ideal stock to protect your funds during market uncertainty and an excellent asset to consider building a TFSA portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date
2025/08/26
Date Created
2020/06/25
Author
adamothman