



3 Top Investing Tips From Canada's Top Billionaires

Description

Canada's billionaires don't get nearly the same amount of attention as similarly rich folks from the United States.

One reason is that so much of the world's media is in the U.S. This translates into a large amount of attention lavished upon these billionaires, especially those that seek out the spotlight. Many U.S. billionaires — like Warren Buffett — end up earning such vast fortunes that we can't help but pay attention.

There's also the sexiness factor. Many of Canada's top billionaire families have been steadily working for generations now, quietly building up vast fortunes in businesses that have been around for a long time. While it's a winning strategy, it's not nearly as exciting as building the next social media giant from the ground up.

Let's take a closer look at three ways Canadian billionaires have made their fortune — easy-to-follow tips you can easily embrace in your own portfolio.

Focus on staples

Many of Canada's top billionaires have made their fortunes focusing on staples, the kinds of items you consume on an everyday basis.

The Weston family focused on food, turning **Loblaw** ([TSX:L](#)) into Canada's top grocer. The family's holdings also include Weston Foods, one of North America's top bakeries, as well as extensive real estate. There's nothing sexy about any of these businesses, but they do produce ample total returns over time.

Loblaw shares have quietly been an excellent performer over the long term. Over the last 10 years — if you reinvested all your dividends — shares compounded at a 9.71% annual clip. That's enough to turn a \$10,000 initial investment into something worth more than \$25,000.

Even though Loblaw doesn't have much expansion room left today, the company still has growth avenues. It can gain market share by improving its online ordering options. And it can move into other businesses, as it has already with financial services and real estate.

Diversify

Many of Canada's richest made their fortunes focusing on the family business, only pursuing outside investments after they were already incredibly wealthy. That has never been the case with Jim Pattison, a Vancouver-based billionaire has practiced diversification since the early days of his empire.

Today the [Jim Pattison](#) Group owns assets like car dealerships, grocery stores, outdoor advertising, radio stations, and food manufacturing, among others. It also has stakes in a handful of major Canadian stocks. None of these assets are particularly sexy, but Pattison's long-term focus and relentless push forward has vaulted him to a net worth that is estimated at US\$5 billion.

Not everything Pattison touches has turned to gold, however.. Like any investor, he's had his share of duds over the years. But his diversification ensured any losses were manageable.

A long-term approach

The dirty little secret of many top billionaire families is they invested for decades before they really became wealthy.

Take the [Richardson family](#), which has quietly built a fortune that is estimated to be worth more than \$6 billion. The family got its start when James Richardson emigrated from Ireland in the 1820s. He and his sons formed the company in 1857. It eventually moved to its current home in Winnipeg in the early part of the 20th century, and the family has been focused on growth ever since.

It's hard to have that kind of long-term thinking, especially today. There are simply too many amazing things to spend our money on. But as the Richardson family has proven, that kind of long-term approach will get you — and your heirs — fabulously rich.

The bottom line

Many of Canada's top billionaire families have a similar story. They simply focused on the family business and took a long-term approach. You can easily do the same with Canada's top stocks and a hands-off investment in these great companies.

Take a page out of the billionaire handbook by investing in high-quality stocks that represent ownership stakes in decidedly non-sexy businesses. It's been repeated time and time again for one simple reason: it works.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:L (Loblaw Companies Limited)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/08/24

Date Created

2020/06/29

Author

nelsonpsmith

default watermark

default watermark