



Warren Buffett: How to Build an Empire

Description

Long-term investors understand there are no guarantees in investing, and anything can happen at any time. So what savvy investors like Warren Buffett have done is lengthen their timeline.

Over the long term, the economy is always growing, making long-term investing one of the best and safest strategies.

Another common fact investors know is that one of the most powerful tools at their disposal is compounded interest. And when you couple compounded interest with a lengthy timeline for investments, you're sure to see some impressive returns.

One of the best at doing this is Warren Buffett. Over the years, he has amassed one of the largest fortunes of anyone on earth, solely by buying and selling investments.

To build a fortune like Buffett, investors need to remember three main tips.

Save a bunch of money

Saving money is a major, yet still underrated, factor in investing. The more money you can save, the more you have to invest. So the first and one of the most important factors is continuously adding to your nest egg.

This is even more crucial when you consider the power of compound interest. So not only do you want to save as much as possible, but you'll want to start putting money away and investing it as early as possible to maximize your timeline.

Building up cash to invest doesn't just mean your savings, though. It also means saving cash from dividends or proceeds of stock sales when you don't find any new value stocks to buy.

Warren Buffett famously does this, building up a massive cash pile as valuations explode through the roof. That way, when prices come tumbling back down, he's there to pick up the pieces and get some

great deals.

Be patient and have discipline like Warren Buffett

Patience and discipline go hand in hand with saving cash in the first place as well as building your cash position when the market gets frothy. However, it's much more than that, and the more discipline and patience you can show, the better off you'll be.

This includes the discipline to hold your stocks through a [market crash](#), which's a lot easier said than done. It also includes having the patience to wait for the right stock at the right price, something Warren Buffett is brilliant at.

The more discipline and patience you can show, the more mistakes you'll avoid, and you'll be much better off long-term.

Buy the best Warren Buffett stocks

Of course, no investment strategy will be successful without high-quality **TSX** stocks making up the portfolio.

These stocks have to be the best of the best, long term businesses that are dominant in growing industries and with superior economics. And of course, just like Warren Buffett, you'll want to make sure you're buying when the price is right.

A great stock like that to consider today is **Nutrien Ltd** ([TSX:NTR](#))([NYSE:NTR](#)).

Nutrien is an agricultural company that produces and distributes fertilizer as well as other agricultural products. It's a massive company that dominates the industry in North America, is vertically integrated, and has strong long-term economics.

The industry also continues to expand as it's tied to long-term population growth. Plus, there are several growth catalysts, such as the current trend of healthier eating.

The stock is down quite a bit these last few months, offering investors an attractive valuation to gain some exposure. Nutrien is a massive company that can be counted on to be resilient and make up a core portion of your portfolio.

The stock is trading at an extremely [cheap valuation](#) today. It's capable of generating massive free cash flow, has a very manageable debt load, and pays a dividend that currently yields roughly 4.4%

Nutrien has a lot going on for it, and these are all qualities Warren Buffett is looking for in the long-term investments he makes.

Bottom line

If you want to start building an empire similar to Warren Buffett, it's crucial you use these three tips.

This way, you'll be prepared for anything that happens, and using your patience and discipline can maximize your investment performance.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:NTR (Nutrien)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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