



Invest Like Warren Buffett: Own These Canadian Stocks and Don't Let Go!

Description

If you are looking to get rich the same way as Warren Buffett, you have to think and act like him too. Frankly, nothing about Warren Buffett's investing style is overly exciting or profound. It is nothing like the excitement we saw last week when the "Robinhood traders" took on the big Wall Street hedge funds. Yet, through countless bull and bear markets, the key to Warren Buffett's success is in the consistency of his approach.

Warren Buffett's formula for success

He seeks out good-quality companies that have great management, leading products/services, and competitive moats. Generally, the stocks are somehow mispriced or misunderstood by the market. He then buys them and oftentimes just sits and waits.

While, undoubtedly, the man is a genius, the key to his success has been his patience and even-tempered demeanour. By patience, I don't mean a one-year, three-year, or five-year investing horizons. I am talking decades. As Warren Buffett has famously stated, "If you aren't willing to own a stock for 10 years, don't even think about owning it for 10 minutes."

It's okay to be patient and boring

At a time when the stock market can just feel temporary and irrational, these words are a good reminder. It's okay to be a boring, [patient investor](#). None of us know what will happen tomorrow. Yet, if history serves correctly, we can be pretty sure that stock markets and the best-quality companies are going to be significantly higher a decade from now. If you want to get rich like Warren Buffett, your best bet is to think long and then wait.

This Canadian stock reminds me of Warren Buffett

If I were to think about [a Canadian stock](#) that I'd want to hold for a lifetime, I'd have to first choose **Brookfield Asset Management**

(TSX:BAM.A)([NYSE:BAM](#)). While its focus is primarily on alternative assets (like infrastructure, real estate, and renewables), it operates with an approach similar to Warren Buffett.

In a contrarian manner, it often buys when the market is sour and reaps the gains when markets are hot again. It now has the size and scale, that it can deploy capital anywhere in the world that presents attractive value. It has a very skilled management team that can afford to be patient, and invest in unloved regions or assets.

Time and time again, this strategy has paid off. Almost all of its multi-billion-dollar spin-off subsidiaries (**Brookfield Renewables** and **Brookfield Infrastructure**) were initially built or acquired due to some sort of market turmoil.

Today, BAM has had some of its best fundraising ever. Its balance sheet is primed for deployment in new areas of growth like insurance, impact investing, and even technology. Tuck this Warren Buffett stock away, and your patience has a pretty good chance of generating very strong returns.

This Canadian stock has the greatest competitive moat

Another Canadian stock idea is **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)). When Warren Buffett privatized BNSF Railway in 2009, he commented that he paid a premium, because you just can't replicate its assets. However, looking back today, the privatization doesn't look cheap at all. It has provided incredible returns in his portfolio.

I think it is similar for CP. Compared to the **TSX**, it trades with a pricey multiple. Yet, its assets are essentially impossible to replace or rebuild. Canada's economy would not operate properly if its business did not exist.

I like this stock because management will stop at no end to create efficiencies in its operations. Consequently, it stands with one of the best operating ratios in the industry. The more efficient, the better the profits. Its recent fourth-quarter results attest to that. You can't put a price on this enduring business, so to me, it is a perfect Warren Buffett, hold-forever stock.

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