



## A Warren Buffett Stock Every Canadian Should Own

### Description

Warren Buffett has been famous for stating, “It’s far better to buy a wonderful company at a fair price than a fair company at a wonderful price.” Unlike his mentor, Benjamin Graham, Warren Buffett is not a pure value investor- at least not in the quantitative sense.

### Warren Buffett is a master of qualitative analysis

In fact, much of Warren Buffett’s success has come through his ability to understand the qualitative values in a business or stock. This value could be reflected in the quality of a management team, a strong competitive moat, or a product that just outcompetes the rest (**Coca-Cola** is a great example).

Rather than just look for cheap low price-to-earnings valued stocks, it is important to comprehend a holistic picture of what makes a company “wonderful.” Warren Buffett asks questions like: What gives this company a competitive advantage and is it durable? Or, if I could only ever buy 20 stocks in my life, is this one worth owning?

### How to look at a stock holistically

Of course, Warren Buffett was a master for understanding a business’s intrinsic value. However, I believe it is his qualitative approach that made him better than his predecessors. Sometimes this is an area investors forget about.

Do you want to mimic Warren Buffett’s investment strategy? Then, listen to a company’s conference calls, call their investor relations, go into their stores, try out their products, or ask their staff about working there. There is a ton you can learn about a company, that goes beyond just its balance sheet and its stock price.

### A Warren Buffett stock to own forever

One Canadian stock that could fit some of Warren Buffett's quantitative and qualitative criteria is **Brookfield Infrastructure Partners** ([TSX:BIP-UN](#))([NYSE:BIP](#)). The stock has had a nice run up from its March, 2020 lows. However, I believe it still has ample upside if you're willing to be patient.

It owns and operates an irreplaceable portfolio of infrastructure assets across the globe. These include regulated natural gas pipeline's in the U.K, 5,100 kilometres of railroad in Australia, and thousands of cell towers in India, just to name a few. Not every company can just build or operate such long-life assets, as it requires significant amounts of capital to acquire and maintain. Consequently, BIP has a strong competitive advantage here.

Like Warren Buffett, BIP has an incredible track record of unlocking value in assets and producing strong returns for shareholders. Had you bought this stock 10 years ago, you would have enjoyed 20.2% annualized total returns. Despite the pandemic, [BIP has had very resilient and durable operations](#).

In 2020, it still produced 2% fund flow from operations (FFO) growth for the year. It deployed over \$2.5 billion of capital into new investments and rapidly expanded its presence in the fast growing data/cellular infrastructure space in Asia.

Similarly, it saw over 9% organic growth from its regulated/contracted operations. Considering these are "boring" power lines, pipelines, and cell towers, it's pretty impressive.

## The Foolish bottom line

The company sits with \$3.7 billion of liquidity, so it is primed to continue growing organically and also through acquisition. The stock pays a great 3.5% dividend, but the company just raised it by another 5%. As this company continues to deploy its balance sheet, growing cash flows should keep pumping that [dividend](#) up. Buy this stock today, tuck it away, and enjoy returns over a lifetime, just like Warren Buffett would.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

### PARTNER-FEEDS

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### Author

robbybrown

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