



A Warren Buffett Lesson: The Key to Successful Investing

Description

Warren Buffett is most commonly known for his incredible investing returns. There are certainly lessons to be learned by looking at the stocks he has bought over the years. However, the best way to learn about investing is through his countless pieces of priceless advice.

Over the years, whether through interviews, answering questions at the **Berkshire Hathaway** shareholders' meeting, or his famous letters to shareholders, [Buffett](#) has offered tonnes of great advice.

Whether it's about finding high-quality [value stocks](#), how to identify the best [growth stocks](#), or even recommending investors buy [index funds](#), Buffett's teachings present some of the best ways to learn about investing.

One of the lessons Warren Buffett has been teaching for years now is commonly referred to as his "20-slot" rule.

Warren Buffett: The "20-slot" rule

One of the main reasons why Warren Buffett has been so successful in his investing career is because he has discipline and patience and always invests for the long term.

Long-term investing has several benefits to it, and it's a great way to lower risk. That's why one of the most common recommendations the Oracle of Omaha makes is that investors should be buying stocks for the long term.

It's also why his "20-slot" rule is great advice and a unique way to think about any potential investment.

Suppose you have a punch ticket that only has 20 slots total. This punch ticket is intended to last the entire length of your life.

Every time you want to buy a stock or make an investment, you have to punch one of the slots, though. So, investors would only have 20 opportunities to make an investment in their whole lives.

This is important, because it's intended to really make investors think about a potential investment and whether or not it's actually that high quality of a stock.

Now, obviously, this isn't practical. However, it's still a great lesson. This is exactly how Warren Buffett invests. One of his most famous quotes says, "Our favourite holding period is forever." He's also said, "If you aren't willing to own a stock for 10 years, don't even think about owning it for 10 minutes."

Clearly, investing for the long term and buying stocks that you think can grow for decades is one of the best strategies.

It seems simple, but improving your discipline and investing for the long run can go a long way. That's why it's some of the most consistent advice that Buffett offers investors.

A top Canadian stock to hold forever

Stocks that are worth holding forever don't come around too often. However, today you can buy one of the best companies in Canada and get it at a significant discount.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) currently trades more than 25% off its 52-week high. Shopify is a stock that is incredibly popular due to the significant growth the company has achieved over the last few years.

Despite the growth that's already materialized, Shopify is still an incredible business, especially if you plan to hold the stock forever.

The same reason why [Shopify](#) was able to gain so much market share in e-commerce and grow rapidly over the years is exactly why you'll still want to own the company today.

It's a revolutionary company and one of the main drivers of the growth for the entire e-commerce industry. I'll admit, even I thought **Amazon** was expensive a few years ago. But these super-high-quality stocks only continue to impress and grow rapidly. That's exactly where I see Shopify today.

So, consider Warren Buffett's advice and put it into practice. In my view, Shopify is one of the best Canadian stocks that you can buy today for the long term.

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