



## Long-Term Investing: Do This, Not That

### Description

There's no question that the best way to grow your money is through long-term investing. Buying and holding companies for the long term can offer investors several advantages.

We all think about investing as growing our money. However, even before we can think about growing our capital, we need to ensure we won't lose it.

[Warren Buffett](#), the best investor of all time and who has shown the potential of buying and holding stocks for the long term, has two major rules for investing: "Rule number one: never lose money. Rule number two: never forget rule number one."

Of course, it's not exactly practical that you can invest for years and never lose money. However, that should be the goal of all investors, which is why investing for the long run is so important.

So, before you even consider the potential of the investment, you have to make sure the company is a business you will be happy to own for years.

The quality of the company is the most important. And finding high-quality companies will lead you to find the best long-term investments.

## Long-term investing: Is Air Canada stock worth a buy?

**Air Canada** ([TSX:AC](#)) is the perfect example to illustrate this point today. It's been one of the most popular stocks among Canadians the last year, as its chart has looked mighty cheap. This has many investors considering the stock as a long-term investment.

While Air Canada's chart may have looked cheap, the company has been trading closer to its fair value in actuality. Furthermore, when you consider all the issues it has faced over the past year and the actions it has had to take to ensure survival, the stock is in a much worse position than it was in 2019 before the pandemic.

Because the pandemic had such an impact on Air Canada, the company had to issue a tonne of debt as well as dilute shareholders.

Even now, though, as the economy continues to recover, there is still a tonne of uncertainty, and it could be years before this stock is operating back at 2019 levels.

Warren Buffett recognized this risk among [airline stocks](#) early, which is why he sold all his shares at the onset of the pandemic.

When companies are struggling, you don't want to be holding them for the long run. It's far better to cut your losses and go look for a new investment that offers much more potential today.

So, rather than considering Air Canada as a long-term investment, here's a high-quality stock to buy instead.

## One of the top Canadian stocks to buy now

If you're looking for a high-quality Canadian stock to invest in for the long term, one of the best companies to consider today is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)).

Brookfield Asset Management is one of the largest and most successful stocks in Canada. Over the last decade, shareholders of Brookfield have earned a total return north of 440%, or a compounded annual growth rate upwards of 18.3%.

Brookfield has achieved this incredible growth through years of high-quality investments itself. In addition to being an asset manager, the company also has a renewable energy business, a real estate company, and even an infrastructure fund.

The company is continuously sourcing some of the best value investments across the globe and recycling capital from previous investments to grow its portfolio consistently.

This is why it's such a great long-term investment to buy today. The company is one of the best investment managers in the world. But to fully take advantage of its growth potential, you need to invest in the stock for the long term.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:AC (Air Canada)
3. TSX:BN (Brookfield)

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