



## 3 Warren Buffett Quotes to Make You a Better Investor

### Description

In the current investing environment, where stocks face significant headwinds and there is considerable uncertainty, it can be difficult to decide what stocks to buy. But any time you face tough market conditions, it can be helpful to review investing advice from Warren Buffett.

There's a reason Warren Buffett is widely considered one of the best investors ever. In addition to the incredible returns he's earned over his career, he has been remarkably consistent over the long haul.

Most importantly, the strategy he uses is simple and repeatable for retail investors. All you need is discipline and patience.

Whether you're looking to begin investing or just need a refresher and some tips on how to have the right investing mindset, here are three of the most important Warren Buffett quotes that will make you a better investor.

### **“Rule No. 1: Never lose money. Rule No. 2: Never forget rule No. 1.”**

When it comes to investing, we all focus on making money. That's the whole reason we invest. However, you should never make an investment if you think there's a chance of losing money. When you lose money on a stock, and your portfolio declines in value, it makes it much harder to gain that capital back.

For example, if you lose 25% of your money one year, you would need to make back over 33% the next year just to break even.

So, while it sounds obvious that you don't want to lose money, it's even more crucial than you think, as it makes it harder to grow in the coming years and will inevitably weigh on your long-term potential.

### **“If you aren't willing to own a stock for 10 years, don't even**

## think about owning it for 10 minutes.”

It's no secret that Warren Buffett is a long-term investor, and this quote illustrates that perfectly. The issue with trying to invest in the short term is that stocks can trade irrationally for a few months or even a few years. And in the [short term](#), whether that be today, next week, or three months from now, it's almost impossible to tell how a stock will trade.

It's much easier to identify high-quality companies that will be around for years and even decades to come. This should be the focus of investors. Warren Buffett looks for stocks that are in such a position that they dominate their industries today and will continue to dominate their industries decades from now.

Investing for the long term is crucial because it not only helps you to maximize your gains over the long run, but also helps you to mitigate any short-term risk.

## “It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price.”

This is perhaps one of Warren Buffett's most important pieces of advice for investors. When Buffett first began investing, he was more of a value investor looking for stocks at wonderful prices. However, his years of experience helped shift his investing views.

Instead of trying to pay the absolute lowest price for stocks, [Buffett](#) only identifies the highest-quality companies in the economy. And then, as long as these companies don't trade overvalued, they're worth a long-term investment.

Buying high-quality stocks that can execute well and consistently grow their earnings will often be a better long-term investment than just buying a mediocre asset that's undervalued and waiting for it to appreciate.

So, while we all want to buy stocks with a discount and get the most bang for our buck, often, if we can just find stocks with impressive operations, our capital will grow much quicker.

For example, a stock like **Dollarama** has seen its revenue and net income grow significantly over the last decade, up 170% and 282%, respectively. The company has been one of the most dominant retailers in its industry, and its brand is well-known across Canada. So, it's no surprise that while its sales and income have increased, Dollarama investors have earned a total return of more than 780%

Therefore, if you want to invest like Warren Buffett and maximize your investment returns over the long run, these are three important quotes that you'll never want to forget.

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