



## 3 Stocks for Young Investors

### Description

If you're a young investor, chances are you're decades away from retirement. If that's what you're saving for, you should be looking for stocks that are worth holding on to for a long time. These are not that easy to find; after all, how do we know which companies will be successful 10 or 20 years into the future?

Still, there are certain companies that have enduring competitive advantages, and below we take a look at three examples. If you're willing to wait out the ups and downs, the odds are in your favour.

#### 1. Tim Hortons

There is no brand in Canada stronger than that of **Tim Hortons** (TSX: THI)(NYSE: THI), a fact confirmed for the second straight year by *Canadian Business*. As a result, it has a dominant share of Canada's quick-service restaurant market, and it will maintain this lead for a long time. Put simply, there are many people who simply will not switch away from Tim Hortons, no matter what competitors offer.

Certainly there are concerns, such as increasing competition, limited prospects for growth, and struggles in the United States, but these shouldn't be enough to deter young investors — especially since Tim Hortons will continue to prosper for decades to come.

#### 2. Manulife

**Manulife Financial** (TSX: MFC)(NYSE: MFC) has a more up-and-down history than the other companies on this list. This life insurance company was flying high before the financial crisis, only to crash down to earth when the stock markets sank. All of a sudden, the company was struggling to raise enough capital to survive.

Fast-forward to today and Manulife has finally rebounded, once again posting great numbers. It also has very ambitious goals, hoping to grow core earnings to \$4 billion by 2016, from \$2.6 billion last year.

Importantly for young investors, Manulife is the best-capitalized of the large life insurers, and also the

cheapest, at 12.5 times earnings. Over the long term, this company should be able to put the financial crisis well behind it.

### 3. First Quantum

Whether you're young, middle-aged, or old, you should be very careful before buying too many mining companies. However, **First Quantum** ([TSX: FM](#)) is certainly one you should consider. What makes this company so different?

First Quantum has earned a fantastic reputation for buying assets cheaply and developing them on budget, something very rare in mining. This is how the company's shares have returned 38% per year over the last 15 years, an outstanding track record.

Although you shouldn't expect such returns over the next 15 years, it's usually a good idea to go with companies that have great track records. If you're willing to hold on for the long term, you should come out ahead.

#### CATEGORY

1. Investing
2. Stocks for Beginners

#### TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:FM (First Quantum Minerals Ltd.)
3. TSX:MFC (Manulife Financial Corporation)

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