



4 Best-In-Class Stocks for Your Portfolio

Description

If you're a long-term investor, it pays to buy the absolute best companies, even if you have to pay a little more. Then you can simply sit back, not just for years, but for decades. On that note, each of the four companies below is a top performer in its industry, making them perfect candidates for your portfolio.

1. Canadian Natural Resources

There are very few energy companies with a better track record than **Canadian Natural Resources** ([TSX: CNQ](#))([NYSE: CNQ](#)). Under the leadership of Murray Edwards, CNRL has built a fantastic reputation for strong capital allocation and ferocious cost control. This is how the company emerged from seemingly nowhere in the late '90s to become one of Canada's largest energy companies.

And shareholders have had a wonderful ride along the way. Over the last 15 years, the company's shares have returned 19% per year. By comparison, **Suncor** shares have returned only 13% per year over the same time period.

2. Tim Hortons

In retail, it helps to have a strong brand and loyal customers. And there's no better example than **Tim Hortons** (TSX: THI)(NYSE: THI). The dominant leader in Canada's quick-service restaurant industry has the number-one brand in the country, according to *Canadian Business*. As a result, Tims has fiercely loyal customers, which shows up in the financials.

Just last year, Tim Hortons achieved a return on equity of over 43%, and if the company improves its performance in the United States, that number will only increase. These are the types of companies you want in your portfolio.

3. Telus

Canada's big three telecommunications providers are some of the most stable companies in Canada. They face little competition (despite the government's best intentions), and make money off of

subscriptions, so revenue tends to be fairly steady and predictable.

Right now, the best-in-class operator among the big three is **Telus** ([TSX: T](#))([NYSE: TU](#)). In its main business, wireless communications, it has been adding far more subscribers than its peers have. It has also done a better job holding onto them. If you're a long-term investor, Telus is the kind of company you should want in your portfolio.

4. First Quantum

First Quantum Minerals ([TSX: FM](#)) actually has quite a bit in common with Canadian Natural Resources – the company is known for buying assets cheaply and keeping costs under control. As a result, shareholders have enjoyed superior returns.

In fact, First Quantum shares have done even better than CNRL's, returning 39% per year. And even though you shouldn't expect returns like this over the next 15 years, this is exactly the kind of track record you should be looking for.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:TU (TELUS)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:FM (First Quantum Minerals Ltd.)
5. TSX:T (TELUS)

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