



## 3 Buy and Hold Forever Stocks for Any Investor

### Description

It seems counterintuitive, but there's a simple way for investors to outperform many of their peers.

Don't do much.

Studies have shown that investors who take short-term positions in stocks tend to underperform investors who buy and hold for the long term.

It comes down to investor psychology. We're tempted to hang on to our losing stocks, often choosing to hold until they get back to break even, like that carries some sort of significance. The market doesn't care what you paid for a stock, and neither should you. All an investor should worry about is the outlook for the company, and perhaps valuation. Often we fail in that as well, holding a rosy outlook for a stock just because we happen to own it.

We also sabotage ourselves when it's time to sell. Investors often sell too quickly, switching to their next best idea after getting a quick 20-30% profit. Meanwhile, the original stock continues its climb, for the exact same reasons it was bought in the first place.

Don't fall into these traps. Instead, look at buying these three businesses with great long-term prospects, and hold forever. It's just that easy.

### Suncor Energy Inc.

The thought process behind buying **Suncor Energy Inc.** ([TSX: SU](#))([NYSE: SU](#)) isn't complicated. The oil sands are the jewel of Canadian industry, and will only get more important as we exhaust other sources of oil. Suncor is the region's leading producer.

Of course, Suncor's terrific management team, solid growth plans, and refinery assets are important too. Investors in the company are also being rewarded with a nice dividend — which increased by 20% this month and has nearly tripled since 2009 — and an aggressive share buyback program.

Plus, shares have been weak since the company announced slightly disappointing quarterly numbers a

couple weeks ago. Buying Suncor on dips as worked for the last 20 years, and should continue to work for the next 20.

### **Saputo Inc.**

It's still a little strange to say this, but over the next decade one of Canada's most exciting growth stories might be in a sector that's known for just how unexciting it is.

**Saputo Inc.** ([TSX: SAP](#)) is Canada's largest dairy producer, with significant operations in the United States, Argentina, and most recently, Australia. Since dairy is such a fragmented business around the world, these countries are just the beginning of an ambitious expansion plan. Management has identified opportunities to further expand in Canada and the United States, start exporting into Brazil, and perhaps look at other acquisitions in Australia or New Zealand.

Long-term, Saputo has an even bigger prize in mind — China. The world's most populous nation doesn't consume much dairy on a per capita basis, partly because of quality issues from local suppliers and partly because its citizens just couldn't afford it, until recently. As it digests the Australian acquisition, look for the company to start making a big push into China's growing dairy market, a trend that should last for decades.

### **Loblaw Companies Limited**

In 2013, **Loblaw Companies Limited** ([TSX: L](#)) made news when it shelled out more than \$12 billion to acquire Shoppers Drug Mart. This was a terrific acquisition that doesn't get nearly enough credit.

By acquiring Shoppers, Loblaw has every corner of the market covered. It has a dominant position in smaller cities across the country, often being the number one store in town. It does great in the suburbs too, with its Superstore brand of big box stores. What it was missing was a presence in urban areas, which it got when it acquired Shoppers. Plus, urban shoppers are more likely to pay extra for convenience, which should help margins.

Additionally, it looks like management has gotten serious about rewarding shareholders. After not raising the dividend at all from 2005 to 2012, it's gone up three times since. Shares currently yield 1.9%

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:L (Loblaw Companies Limited)
3. TSX:SAP (Saputo Inc.)
4. TSX:SU (Suncor Energy Inc.)

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