



## The 4 Best Buy-and-Hold Stocks for Young Investors

### Description

I believe that buying shares of wonderful Canadian companies remains the best way to build wealth over the long haul.

Sure, investors have to put up with the day-to-day ups and downs of the (often irrational) stock market. However, no other asset class offers the same long-term path to prosperity for young investors like equities.

But as with most things in life, getting started is always the hardest part. That's why I wanted to highlight four stocks that provide a solid foundation for any portfolio.

This is a collection of profitable, easy-to-understand businesses that you can buy and hold forever. It's like a starter kit for young and new investors alike.

#### 1. Toronto-Dominion Bank

**Toronto-Dominion Bank** ([TSX: TD](#))([NYSE: TD](#)) is a great example of what small dividend hikes compounded over time can do for a stock's yield. Over the past 20 years the company has increased its distribution almost 10-fold. If you had bought and held the stock over that time, the yield on your original investment would be 35% today.

And TD shareholders can count on those dividend hikes to continue. Few companies have the size and scale needed to enter the Canadian banking industry. And stringent government regulations generally keep potential competitors out of the business. That means you can count on higher banking fees (and higher dividends) for decades to come.

#### 2. Canadian National Railway Company

**Canadian National Railway Company's** ([TSX: CNR](#))([NYSE: CNI](#)) network of track is virtually impossible to replicate. This collection spans 32,000 kilometres through the densely populated areas from coast to coast. The cost to buy out landowners and acquire the needed right-of-ways form an nearly impenetrable barrier to competition from other railroads.

To put it simply, CN is a bet on Canadian prosperity. Over time there will be more people living in this country who will demand more and more goods. Rail will be essential to moving all of these products around the country.

### 3. RioCan Real Estate Investment Trust

**RioCan Real Estate Investment Trust** ([TSX: REI.UN](#)) gives you all the benefits of being a landlord, but without the hassles. This company owns property and collects rent, but you're the one who gets paid. Since it started making payments in 1994, this company has never missed or lowered its total annual payments.

Today, this trust pays out a monthly distribution of 11.75 cents per share to investors. That comes out to a 5.2% yield, making this one of my favourite income names over the long haul.

### 4. Suncor Energy Inc.

Whoever said the best things come in small packages was never an oil investor. In this business you need raw size to tackle the toughest energy challenges. And it doesn't get any bigger than **Suncor Energy Inc.** ([TSX: SU](#))([NYSE: SU](#)).

Suncor's proved reserves total 6.9 billion barrels of oil equivalent. And over the past decade, the company has increased its dividend more than eightfold. Those are the kind of returns you need to grow your wealth over the long haul.

## CATEGORY

1. Investing
2. Stocks for Beginners

## TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:REI.UN (RioCan Real Estate Investment Trust)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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