



## 3 True Buy-and-Forget Stocks

### Description

You need courage to buy stocks nowadays.

After this week's stock market plunge, many investors are afraid to even look at their account statements. How do you invest in the midst of so much turmoil?

My advice is to buy "Forever Stocks". For those of you aren't familiar, Forever Stocks is a name I've given to a group of companies that have rewarded shareholders for decades. Thanks to their durable competitive advantages, these businesses have consistently beaten the market over generations.

When you own stocks like these, you know longer have to worry about things like inflation... recessions... oil prices... or flash crashes. If history is any guide, these companies will continue to crank out steady dividends for decades to come.

Of course, such companies are rare. Most of these firms are privately held. However, over the years I've identified a few of these wonderful businesses that are still publicly traded. Here are a few examples to get you started.

#### 1. Imperial Oil Limited

It might seem odd recommending an energy stock in light of the recent oil patch turmoil. However, **Imperial Oil Limited** ([TSX: IMO](#))([NYSEMKT: IMO](#)) seems to emerge stronger through each commodity cycle. The firm's integration of production and refining operations helps to smooth out the volatility.

But the real key to the company's success is a culture of disciplined capital allocation. Imperial avoids high-risk investments that are sensitive to oil prices. Instead, management focuses on projects that are low-cost and profitable. That's how it routinely squeezes out more profit per barrel than any of its competitors.

You won't get rich overnight holding Imperial. However, the firm sports a triple-A debt rating, has a huge cash position, and generates billions in profits every year. So the company should have little

trouble hiking dividends and buying back stock in the years to come.

## 2. Potash Corp/Saskatchewan

We're hitting the limits of our ability to feed a hungry planet. Populations are growing. Water tables are nearly depleted. Climate change is only compounding these problems. To grow more food on less land, farmers are demanding ever greater quantities of fertilizer.

**Potash Corp./Saskatchewan Inc.** (TSX: POT)(NYSE: POT), the world's largest producer of potash fertilizer, stands to profit the most from this trend. If there's one business principle you can always count on, it might be this: everybody has to eat. That means investors can count on a growing stream of distributions in the years to come.

## 3. Pembina Pipeline Corporation

**Pembina Pipeline Corporation** ([TSX: PPL](#))([NYSE: PBA](#)) is vital to your day-to-day life, though you may not even know this company exists. The firm owns pipelines, terminals, and storage facilities throughout Western Canada. This is the infrastructure that ships and stores commodities like gasoline, diesel, crude oil, and jet fuel.

In return for moving and storing these products, Pembina earns a fee that it then passes on to investors. Since going public in 2001, this company has never missed a dividend. And over that period, it has increased its payout more than 35 times.

The best part is, Pembina isn't impacted by recessions or wars. The pipeline's cash flows are as steady as bond coupons. No matter which direction oil prices go, this company still gets paid.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSEMKT:IMO (Imperial Oil Limited)
3. TSX:IMO (Imperial Oil Limited)
4. TSX:PPL (Pembina Pipeline Corporation)

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### Date

2025/08/23

### Date Created

2014/12/19

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