



Dividend Investors: 3 Stocks to Buy and Hold Forever

Description

My grandfather was known around town as a friendly man who often sported a flannel jacket and a baseball cap—but he also had a hidden talent for picking stocks. A number of years ago, he had invested \$1,700 in one of Canada's big banks. Years later, after a rare glance at his brokerage statements, he complained, "Gee, this is unfortunate—my stock's now worth only \$800."

That didn't seem right. I pointed out that despite a couple of big pullbacks, the banks had done remarkably well over the years. He must have been mistaken.

Turned out he had 800 shares, not dollars. We calculated that his holding was worth \$5,500, not including the hundreds of dividend cheques he had received over the decades. In fact, he was collecting more in distributions each year than what he had originally paid for the stock.

Yep, that's my grandpa—the Warren Buffett of Canada.

It might sound counter-intuitive, but my grandfather is a classic example of how regular folks build wealth in the stock market. Like many great investors, they don't check their stock quotes each hour or call up their broker every day for hot tips. Rather, they buy a few wonderful businesses, stick the certificates in a drawer, and then get out of the way.

Of course, not many businesses are built to last, but there are a few out there. Here are three dividend stocks you can literally buy and forget about.

Earn monthly rental income without becoming a landlord

Boardwalk REIT ([TSX:BEI.UN](#)) gives you all the perks of being a landlord without dealing with tenants.

This firm owns a recession-proof niche within the real estate market that is made up of mid-tier apartment buildings and manufactured housing communities. Sure, it's nothing fancy. However, these properties will continue to crank out cash even while the rest of the economy is struggling.

That means steady income. Today, Boardwalk pays investors a monthly distribution of \$0.17 per

unit, which comes out to an annual 3.4% yield. And since it started making payments in 2004, this trust has never skipped a single distribution to unitholders.

Don't bet on that tradition to end anytime soon. Because this trust sees steady demand no matter what the economy is doing, I expect unitholders will be collecting distribution cheques for many years to come.

The best dividend stock you've never heard of

I doubt you've ever heard of this company. It's one of the market's best-kept secrets. On average, this stock trades less than 500,000 shares a day—only a fraction of the volume that some of the larger names see.

The company is called **Inter Pipeline Ltd** (TSX:IPL). And just because you have never heard of it, that doesn't mean it's some risky, unproven business. That's because when you own shares of this stock, you own a piece of some of the most valuable infrastructure assets in the country.

As you could probably guess from the name, this company owns energy pipelines and terminals across western Canada. This is the infrastructure that ships and stores products like crude oil, jet fuel, and natural gas.

What I love about this business is that unlike most volatile stocks in the energy patch, this company simply earns a fee for storing and moving commodities. So, whether oil is at \$20 a barrel or \$200, it still gets paid.

For shareholders, this has translated into a dependable source of income. Since going public in 2002, Inter Pipeline has never missed a dividend and has nearly double the size of its payout. Right now the stock yields 4.7%, though I'm expecting many more dividend hikes in the years ahead.

One dividend stock for the next 100 years

Few hockey players are as good as Sidney Crosby, and few dividend stocks are as good as the **Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)).

CN is your ultimate forever stock. No other method of shipping freight can compete with rail over long distances. Not to mention that the company's network of track would cost tens of billions of dollars to replicate. That means it's almost impossible for a new competitor to break into the business.

And it only gets better. Over the next 50 years, there are going to be more people living in this country. Those people are also going to demand an ever-increasing number of goods. CN will play a critical role in moving these products around the nation.

Of course, the real test of a forever stock is its ability to hold up during recessions. That said, the company managed to hike its dividend twice through the financial crisis in both 2008 and 2009. In fact, since going public in 1996, CN has increased its distribution nearly 15-fold.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:BEI.UN (Boardwalk Real Estate Investment Trust)
3. TSX:CNR (Canadian National Railway Company)

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/07/03

Date Created

2015/04/06

Author

rbailieul

default watermark

default watermark