2 Stocks You Can Hold for the Next Decade

Description

In Canada it's not easy to find stocks worth holding for a long time. Too many companies fail to make consistent profits, or are poorly managed, or have a bad balance sheet. And when a corporate champion does emerge, it never seems to last. So, if you're a long-term investor, should you look only abroad for quality stocks?

Well, not yet. Canada does have some top-quality stocks, if you're willing to look hard enough. Below we take a look at two of them.

1. Telus

Telus Corporation (TSX:T)(NYSE:TU) is Canada's third-largest telecommunications provider, but is consistently outperforming its two larger rivals.

Its first-quarter results offer yet another example. In the first three months of this year, Telus added roughly 81,000 new subscribers, including 37,000 new postpaid wireless subscribers. By comparison, **BCE** added only 35,000 postpaid wireless subscribers, and **Rogers** actually lost 26,000.

So, Telus is having much success attracting new customers (as well as keeping the ones it already has), and that's paying off handsomely—operating profit rose by more than 10% in the most recent quarter.

I expect these kinds of results to continue and for a long time, too. For the third year Canadians voted Telus the top national full-service provider in the JD Power and Associates client satisfaction survey, and Telus receives three times fewer customer complaints than its peers. It's no wonder that Telus gets more loyalty from its subscribers than BCE and Rogers get from theirs.

These kinds of results allow Telus to treat its shareholders well, too. The quarterly dividend was just increased again, and now stands at $0.42 per share. To put this in perspective, this dividend was only $0.10 a decade ago. I wouldn't expect the dividend to keep growing this quickly, but the next 10 years should still be very strong.

2. Brookfield

In the past couple of decades, few companies (in any industry) have a better track record than **Brookfield Asset Management Inc.** (TSX:BAM.A)(NYSE:BAM). Since this time in 1995, Brookfield shares have returned 20% per year, compared with 9% for the **S&P 500**.

How has Brookfield managed to pull this off? Well, it has a very simple strategy: buy quality assets at a discount, and hold them for a long time. Much of these assets are bought with outside money, allowing Brookfield to charge fees. These fees have grown by 29% per year since 2011, and now total US$1.3 billion annually.

The future looks just as bright. Capital is scarce outside of North America, which should lead to plenty of investment opportunities. And institutional money is growing quickly too, which should lead to some nice fee income. I don't see any of this changing anytime soon.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:TU (TELUS)
3. TSX:BN (Brookfield)
4. TSX:T (TELUS)

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