



## Invest the Triple 5 Way: 5 Stocks, 5 Sectors, 5% Yields

### Description

Students of investing will be familiar with the Robert Hagstrom book, *The Warren Buffett Way*, which helps readers understand the investment tenets that the Oracle of Omaha uses to evaluate stocks. First written in 1994, it's now in its third edition with over a million copies sold since its original release.

It's a classic.

For those who just want an easy-to-construct portfolio that provides an above-average level of income, the "Triple 5" will definitely do the trick. And the best part? It doesn't come with a whole lot of risk.

Company	Sector	Yield
CI Financial Corp. ( <a href="#">TSX:CIX</a> )	Financials	5.4%
Inter Pipeline Ltd. ( <a href="#">TSX:IPL</a> )	Energy	5.9%
Chorus Aviation Inc. ( <a href="#">TSX:CHR</a> )	Transportation	7.6%
NorthWest Health Prop Real Estate Inv Trust ( <a href="#">TSX:NWH.UN</a> )	Healthcare	8.2%
Rogers Sugar Inc. ( <a href="#">TSX:RSI</a> )	Consumer/Non-Cyclical	5.9%

First, I can't say that this is the most growth-oriented portfolio—Chorus Aviation and Inter Pipeline provide most of the growth—but it will certainly meet your income needs with an average yield of 6.6%.

CI Financial recently [announced](#) it's buying 80% of an Australian mutual fund company. The move gives one of Canada's biggest asset managers a nice growth vehicle in Asia Pacific. This purchase combined with its expansion of its First Asset ETF division here at home may be the catalysts for delivering above-average revenue growth in the next 12-24 months. It's the foundation of the portfolio.

Fool.ca contributor Kay Ng recently [discussed](#) the income potential of NorthWest Healthcare Properties. She's right about it being enticing, but be warned that its debt is more than twice its market cap, which makes it far more speculative than the other five holdings in the Triple 5. However, on balance, it operates in a very stable sector of the economy, and recent expansion in Brazil should pave the way to increased cash flows from its operations.

If you use sugar, you've probably used Rogers Sugar's products. Out west, it sells sugar under the Rogers brand; in eastern Canada, it markets sugar under the Lantic brand. It consistently generates plenty of free cash flow to pay the dividend, and its stock is undervalued compared to historical valuation metrics: the current price-to-cash flow is 7.3, and the five-year average is 15.3, making it the other foundational piece of the Triple 5 portfolio.

Hot off its recent \$1.35 billion acquisition of natural gas liquids (NGL) from **The Williams Companies**, Inter Pipeline, a diversified energy infrastructure company that operates pipelines, bulk liquid storage, and NGL processing and extraction businesses, continues to deliver solid results. Fool.ca contributor Andrew Walker [believes](#) that any weakness in its stock price below current levels makes it a very attractive buy. I couldn't agree more and [said](#) as much back in June.

Lastly, Chorus Aviation is a stock I really [like](#); you can't help but be attracted to its 7.6% yield. Airlines are back in Warren Buffett's comfort zone, signaling they're okay stocks to own. It has a good **Air Canada** Express contract, a solid charter business, a growing maintenance, repair, and overhaul business, along with a new regional aircraft-leasing business.

## CATEGORY

1. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:CHR (Chorus Aviation Inc.)
2. TSX:CIX (CI Financial)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:RSI (Rogers Sugar Inc.)

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## Author

washworth

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