

Young Investors: 3 Stocks You Can Buy and Hold Forever

Description

When young investors are beginning their investing journey, it's crucial to have core holdings upon which to build their portfolios. These core holdings need to be fundamentally sound businesses with growth potential and sustainable dividend yields. Here are three starter stocks which produce a well-balanced portfolio and provide exposure to a variety of industries.

Manulife Financial Corp.

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#)), is Canada's largest life insurance company and has a strong global presence. Its significant exposure to the Asian, U.S., and Canadian markets provides instant diversification.

Life insurance companies like Manulife will benefit immensely from rising interest rates. Life insurance companies tend to heavily invest in fixed-income securities, which will produce a greater yield in a high interest rate environment. Therefore, its current yield of 3.28% is sustainable and should continue to grow.

Brookfield Asset Management Inc.

Brookfield Asset Management Inc. ([TSX:BAM.A](#))([NYSE:BAM](#)), is Canada's largest alternative asset manager. The company oversees all of Brookfield's subsidiaries, which provides the stock with exposure to the real estate, infrastructure, renewable energy, and private equity sectors. Therefore, investors have the opportunity to acquire shares in a company that's a leader in all of the sectors it manages assets in.

Although this company creates exposure to markets that usually can't be achieved with equity securities, its yield is only around 1.5%. However, with a strong management team and a history of executing goals, there is reason to believe Brookfield Asset Management is a great long-term hold.

Killam Properties REIT

Killam Apartment REIT ([TSX:KMP.UN](#)) is a real estate investment trust (REIT) that owns and manages multi-family residential apartments in Atlantic Canada, Ontario, and Alberta. In a rising-rate environment, owning a home will become less affordable, and the demand for rentals will increase. Therefore, residential REITs such as Killam should be a safe long-term play.

In addition, Killam is currently trading at a P/E earnings ratio of 12.5, which is below its five-year average of 16.5. Therefore, investors have a great entry point for a REIT with an occupancy rate of 97%, a yield of 4.7%, and is trading at a discount.

Foolish bottom line

The sooner a young investor commits to investing and acquiring shares in quality companies like the

three mentioned above, the greater benefit they'll receive from compounding interest. Diversity, long-term stability, and growth potential are key elements to financial success. Investing in these three companies can provide that solid foundation for the young investor's portfolio.

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