

## Start Your Portfolio Off Right With 3 Income-Producing Stocks

### Description

Investors looking for long-term growth often turn to stocks that provide safe and growing dividends that could grow substantially over the course of many years.

Whether you are just starting your portfolio or looking to balance it out with some new holdings, here are three great options to consider that will provide growth and dividends for years.

#### **BCE Inc.**

**BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) is one of the long-standing “forever” stocks that should be a part of every portfolio. While BCE is most recognized for its core internet, phone, wireless, and TV subscription services, the media behemoth has a massive portfolio of holdings that includes TV and radio stations, property holdings, and even a few professional sports teams.

BCE has plenty of upside for investors. The company’s core subscription services are offered across the country in nearly all markets thanks to some impressive infrastructure that BCE has set up over the years. That infrastructure not only allows BCE to offer services across the country, but it also provides a sizeable defensive moat that prevents would-be competitors from emerging to counter BCE.

Thanks to that already built infrastructure, BCE can offer shareholders a larger dividend that is still sustainable and has room to grow. BCE currently pays a quarterly dividend of \$0.72 per share, which results in an impressive 4.95% yield.

Critics of BCE often note that because of that dividend, there’s little room for growth. While there may be some truth to that, the stock has appreciated over 40% in the past five years and over 90% over the past decade. BCE is clearly a buy-and-hold stock for the long term.

BCE currently trades at just under \$58 with a P/E of 18.4

#### **Canadian National Railway Company**

You can’t mention a defensive moat without paying tribute to **Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)). Canadian National is the largest railroad in the country and one of the largest on the continent.

Canadian National is also the only railroad on the continent with access to three different coastlines, but that’s only part of what makes this railroad a great investment opportunity.

Railroads are critically important to the overall health of the economy. Canadian National hauls everything from crude oil to wheat, and its sprawling network connects nearly every major market on the continent. That network took decades to build at the cost of tens of billions. For a new competitor to even consider rivaling Canadian National, it would require over a decade of construction and a nearly immeasurable cost.

In other words, Canadian National's current setup is the perfect definition of a defensive moat. But that's not to say that Canadian National doesn't strive for efficiency either. The railroad is the leading example of what an efficient and profitable railroad should be across the entire industry.

In terms of growth, Canadian National has appreciated by over 50% in the past three years and over 20% in the past year alone. During those same three years, Canadian National has increased the quarterly dividend payout several times to the current level of \$0.41 per share; Canadian National has a yield of 1.72%.

Canadian National currently trades below \$96 and has a P/E of 20.49

### **Bank of Montreal**

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) may not be the largest of the big banks, but Bank of Montreal is certainly one of the most promising to investors for a variety of reasons.

Bank of Montreal is well diversified. Thanks to several well-executed deals over the past few years, Bank of Montreal has expanded into the U.S. market considerably; one deal several years ago effectively doubled the footprint of the bank.

Bank of Montreal also has a lucrative business in the commercial lending sector, where the bank is one of the largest lenders to the commercial trucking industry in the U.S. and Canada, accounting for over 20% of the market.

Bank of Montreal pays out a quarterly dividend of \$0.88 per share, which provides a respectable 3.42% yield.

Bank of Montreal currently trades at just under \$103 with a P/E of 13.61.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing

### **TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. NYSE:CNI (Canadian National Railway Company)
4. TSX:BCE (BCE Inc.)
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