



## My Top 3 Long Plays for Long-Term Investors

### Description

Long-term investing is a very different strategy than the day trading that most people think of when they think of stocks. “Buy today and sell tomorrow” is not what I’m interested in; rather, I want to pick companies that I believe will be stable in the long run and provide me with a solid combination of income and capital appreciation over time.

As such, I’ve selected three stocks I believe will be great long-term performers.

#### Pick #1: Fortis Inc.

**Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) is the most recent addition to my favourite long-term positions for a number of reasons. The first reason is that I have only recently begun to follow Fortis. I would have recommended this company sooner had I dug into the company’s financials and business model earlier.

Currently one of the largest power providers in Canada, this company has expanded in a big way into the U.S. market, acquiring ITC Holdings Corp., which has boosted free cash flow and already begun to enhance the utility company’s asset portfolio in a big way.

With over 95% of the company’s assets regulated, the income streams Fortis provides investors are reliable and consistent — two things every long-term investor wants.

Beyond being reasonably stable for the foreseeable future, Fortis has an amazing track record of dividend increases for 43 consecutive years on the order of approximately 6% per year. The company believes these distribution increases are sustainable over the medium term, and I would expect nothing less in the long term from this income-providing powerhouse.

#### Pick #2: Killam Apartment REIT

**Killam Apartment REIT** ([TSX:KMP.UN](#)) is one of the best value picks in the real estate investment trust (REIT) space in Canada. While considered to be on the smaller end of the REIT spectrum, Killam REIT is significantly undervalued, in my opinion, given the company’s free cash flow generation and

asset portfolio.

In November of last year, I believed Killam was at least 15% undervalued based on the company's solid fundamentals and its free cash flow generation. Since then, the stock is up approximately 10%, and I believe further capital appreciation in the medium to long term is likely to materialize due the Killam's undervalued asset portfolio.

With a dividend yield of close to 5%, Killam offers a fantastic mix of capital appreciation and income for any long-term investor's portfolio.

### **Pick #3: Potash Corp.**

**Potash Corporation of Saskatchewan Inc.** (TSX:POT)(NYSE:POT) rounds out the list as my favourite long-term play. The commodities space is one that has been beaten to a pulp over the past two years, and a major recovery is still the elusive hope of many large commodities companies such as Potash Corp.

I believe the improving long-term supply and demand fundamentals, coupled with Potash Corp.'s pending merger with **Agrium Inc.** (TSX:AGU)(NYSE:AGU), make Potash Corp. my top pick for companies that will benefit the most from a significant commodities rebound.

Supply control and demand growth are two of the most important factors for Potash Corp. The company's merger with Agrium will allow Potash Corp. to continue to control supply, while it benefits from increased global demand for potash as consumer trends continue toward increased meat consumption from Asia and thus increased export sales to countries such as India and China, which are currently driving the global price for potash.

Stay Foolish, my friends.

### **CATEGORY**

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks

### **TICKERS GLOBAL**

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:KMP.UN (Killam Apartment REIT)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Yahoo CA

### **Category**

1. Energy Stocks

- 2. Investing
- 3. Metals and Mining Stocks

**Date**

2025/07/21

**Date Created**

2017/04/10

**Author**

chrismacdonald

default watermark

default watermark