



Yawn All the Way to the Bank With Telus Corporation

Description

Life is meant to be exciting.

We're constantly doing things to get our adrenaline pumping. Some of us do extreme sports like skydiving, hang gliding, or racing motorcycles. Others will hike a dangerous mountain with only a minimal amount of safety gear. Even those of us who don't participate in dangerous sports will be constantly pushing ourselves into situations that make our stomachs churn with excitement.

Travel is another activity designed to keep us entertained. There's nothing quite like trying to find your tiny hotel in Seoul, South Korea, after being awake for 30 consecutive hours. Trust me, I speak from experience.

Many people believe investing has to be exciting too. Nothing could be further from the truth. While the sexy stocks are the ones making all the headlines, it's boring companies that are slowly making investors rich.

Enter Telus

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is nobody's idea of an exciting investment. This is exactly the reason why it should excite you.

Confused? Let me explain.

In a world where everyone has a smartphone, a fast internet connection at home, and cable TV (if they want it), it's easy to dismiss the sector. There isn't much growth potential. Technology seems close to knocking Canada's telecoms off their pedestal. And, perhaps most importantly, there's nothing worse than sending off a cheque every month to your telecom provider.

There's nothing sexy about providing internet and wireless service. It's a mature utility today, akin to companies that keep the lights on or who provide natural gas for our furnaces.

Telus provides us with a sustainable moat, which is one of the most important things to look for in an

investment. The company has spent billions over the years on both its wired and wireless networks as well as on opening hundreds of retail locations across Canada's westernmost provinces.

Even if a new company shows up with new technology, it's going to be very hard to take away Telus's dominant position. It's just too entrenched. It has nearly 13 million customers and collected \$12.8 billion in revenue in 2016. Good luck starting something up that competes with that.

A quietly superb investment

A great deal has happened to Telus during its time as a publicly traded company. It crashed amid an ocean of debt in 2002, barely making it through the crisis without declaring bankruptcy. Shares also fell more than 50% from their 2007 highs to the lows of 2009.

But overall, the company has done a terrific job of expanding into new areas, retaining customers, and taking care of business. It hasn't been especially sexy, but this method worked.

Just look at long-term returns if you don't believe me: \$10,000 invested into Telus shares 20 years ago is worth \$71,847 today, assuming an investor reinvested their dividends. That works out to an annual return of 10.35%.

It's certainly easy to look backwards and find stocks that returned better than 10% a year. But that's missing the point. It goes to show that even boring stocks like Telus can deliver solid returns.

The dividend has always been an important part of Telus's total return. Despite cutting its dividend in 2001, the company still grew its payout from \$0.70 per share in 1999 to \$1.84 per share in 2016. Shares currently yield 4.3%.

The bottom line

There's a reason why most serious investors stuff their portfolios full of so-called boring names like Telus. It works.

Don't over-complicate investing. Stick to great names like Telus, even if they are boring. Don't worry; they'll still make you rich.

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